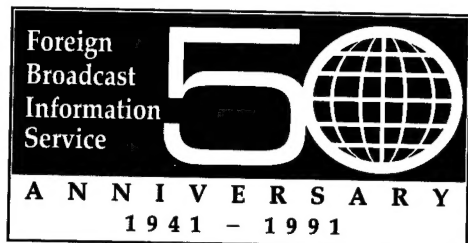
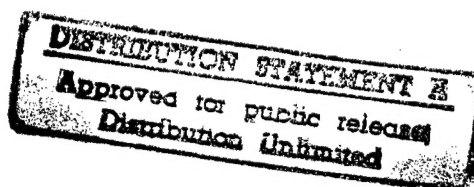


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East Europe

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ZORA Interviews SDS, BZNS-E Officials

91BA1058A Sofia ZORA in Bulgarian 13 Aug 91 p 5

[ZORA interview with Aleksandur Yordanov, deputy chairman, Union of Democratic Forces Coordination Council, and Aleksandur Dimitrov, member of the Bulgarian National Agrarian Union-United, BZNS-E, Standing Committee; place and date not given: "Electoral Roulette"—first four paragraphs are ZORA introduction]

[Text] The great courting has begun! The electoral roulette wheel is spinning: faces, names, considerations, stakes.... A little bit of luck, a little bit of professionalism, demagoguery, and, above all, promises!... And, as in a panopticon, raising the stakes! This is for the vote of the trusting Bulgarian voter, with ballots in all colors, and platforms from extreme left to extreme right; ambitions and anticipation of the taste of power.

This is the great political autumn of Bulgaria!

ZORA and the BNDP [Bulgarian National Democratic Party] defended their image and their views throughout this long year, from one election to the other. We categorically opposed the policy of confrontation which appeared as early as the so-called roundtable, and which shaped the still existing opposites, the "blue" and the "red." We see in the sparks they originate the destroyed energy of the nation, and we ache. We see an impoverished and hungry people, and we ache. We see the reasons and outlines of an unclear future, of the future of our children, and we ache. It is against all of this that we raise our voice of national consensus. In the text which follows, both now and, certainly, in subsequent publications in the course of which we shall introduce various political leaders, this idea will be present or absent to a greater or lesser degree. This, it seems to us, will simply emphasize the constructive nature and political depth of our views, views which enable us boldly to say that for us the future begins today!

The rest is a choice, a free choice, based on conscience, made by people who put Bulgaria higher than petty party ambitions.

—ZORA

We Are Satisfied With One Percent

[ZORA] Mr. Yordanov, give us the salient points of the SDS [Union of Democratic Forces] electoral platform.

[Yordanov] It has already reached its final stage. Naturally, it is not final. We acted most democratically: All parties and organizations submitted their ideas of a platform, after which these ideas were converted into specific texts. We had a few key ideas about Bulgaria. First comes the change in the economic system. This is a process which would benefit all other areas of national life. Let me explain: The success of the economic reform is also a success for Bulgaria's national security.

This is followed by the major question of social peace and security and social protection and the future of the young, and the major international question: Bulgaria's national security and stability. We consider it unquestionable that our country must be neutral, with its own foreign policy. It must be based on bilateral treaties. We are dreaming of a Switzerland in the Balkans.

[ZORA] How do you conceive, within the context of the restless Balkans, a Bulgarian neutrality and guarantees of national integrity?

[Yordanov] You see, the very fact of being neutral will draw Europe's eyes to Bulgaria. Neutrality does not mean remaining passive. I believe that Bulgaria is as yet to develop tremendous diplomatic activity. So far, the problems of national security have been settled by rattling weapons. Unfortunately, the weapons have become obsolete. Second, we shall never suggest, for the sake of national security, that today all Bulgarians are hostages of their Armed Forces. Maintaining a big army requires huge funds. That is why we will be categorically oriented toward the idea of the faster disarmament in the Balkans and their truly becoming a zone free from a great variety of weapons. Bulgaria must be the first to set the example of disarmament. This will free huge amounts of state budget funds which will be channeled into the social area. There is no other source for money which would guarantee aid to the unemployed, the pensioners, and other socially weak strata. Such funds can come exclusively from a reduction in the military budget!

[ZORA] Do you already have an electoral slogan or a specific campaign slogan?

[Yordanov] I do not like the word slogan. I would rather say that we have ideas about Bulgaria. No long-term program is necessary, the end to which cannot be seen, lined up with slogans and promises. We need a working program so that this autumn or, at the latest, next year, in the spring, the people can really feel the change in Bulgaria. We are fully convinced that with a normal development of the economic reform, as early as 1992 our country will acquire an exceptionally good reputation in international financial and business circles.

[ZORA] I accept this as the SDS program. How do you then view the presence of the N. Petkov BZNS [Bulgarian National Agrarian Union], the BSDP [Bulgarian Social Democratic Party], and the liberals in the electoral struggle? They are kept outside your consolidated blue ballot. Nonetheless, they also represent the SDS. Is this the way it is?

[Yordanov] This problem arose this year. Behind it is something known as social psychology. The SDS, the president of which is Filip Dimitrov, is fully convinced that unless we organize a political force with a single ballot—I would jocularly say that one of our electoral slogans would be, "All we want is one percent, but one percent higher than the BSP"—unless we have a ballot with such a winning percentage, the sum will not be accepted by the people as an electoral victory of the

opposition. This is the tremendous political responsibility of all those who developed the theory of having different SDS tickets. I am very much afraid that a situation in the future parliament will develop in which, once again, we shall seek a coalition government in order to save the country. We already tried this, and it creates a number of contradictions in society and, most importantly, it eliminates one of the basic principles of democracy: who precisely is in power and who precisely is a member of the opposition. Such is the impasse facing the individual: the loss of an alternative, of another solution. It would not surprise me if a few months or one year after the elections, troubles and excitement start in society or else that society simply develops a different opposition which will enable it to digest the victory. By pulling out of the SDS, the SDS liberals do exactly this: They see to it that the people will not feel the taste of victory and they thus give the BSP [Bulgarian Socialist Party] the opportunity, once again, to have the largest parliamentary group.

[ZORA] How do you see the participation of the DPS [Movement for Rights and Freedoms] in the elections? Is a party based on ethnicity in our country necessary or possible, or else is there any other way of defending the rights and freedoms of this group of Bulgarian citizens?

[Yordanov] The democratic logic is that it is easier to protect rights and freedoms for those in power, naturally if they have the necessary morality to do so. I watched this year with concern the way the parliamentary group of the DPS, although consisting of 23 people, was virtually unable to defend anything in a parliament consisting of 400 national representatives. Reality indicates that if the DPS were to participate in the elections separately it would field no more than 15 national representatives. Realistically, they would be unable to protect the interests of their voters. The same also applies to movements which promote, above all, the national idea. We are witnessing the efforts of Dimitur Arnaudov. It is our wish for the voters to understand the nature of this specifically Bulgarian feature and concentrate in advance toward the powers of the day. Democracy is a process in which some parties and coalitions are indeed strong and can implement their ideas and views, while others are always part of the minority: They can only present their views but not impose them via the ballot. I believe that the SDS, ever since it was founded, has protected the rights and freedoms of the entire Bulgarian population. Such is the political reality.

[ZORA] Thank you. I wish you success in the elections.

[Yordanov] Do you mean this truly or is this what one customarily says?

[ZORA] This is truly meant.

The European Village

[ZORA] Mr. Dimitrov, what is the numerical and social structure on which the BZNS-E relies in its political electoral platform?

[Dimitrov] As to the membership, let us begin with the BZNS, which would merge entirely within the United Agrarian Union, the significant number of N. Petkov BZNS members, and the sympathizers who, for a variety of reasons, have so far remained outside the existing unions. Let me note the inclusion of an entire ideological wing, the "Vrabcha," which, after 9 September 1944, was the largest agrarian organization. In other words, we are discussing the largest political organization today, second to the BSP. It is true that so far the rural population is dominating the social structure. After the unification, however, I believe that matters will become equalized somehow, i.e., that the BZNS will have an equally strong representation in villages, cities, and smaller towns.

[ZORA] What will be your electoral slogan which will emphasize the main features of your platform?

[Dimitrov] It will remain secret until the very last moment. The slogan has an element of surprise, to be revealed with official start of the electoral campaign which, in my view, will be once the electoral law has been passed. Let me, however, note three fundamental features. The first is the following: Carthage must be destroyed, i.e., the communist totalitarian system must be eliminated. This political position is based on the need for a fast conversion to a democratic society, which cannot take place without the elimination of totalitarian structures in the broadest possible sense: in economics, politics, culture, etc. The second aspect is equally important: securing the bread of the people, their survival in difficult times. Third, as we know, a triangle is the most stable support point: the Bulgarian national interests.

[ZORA] This third side of the triangle has always been quite vague in political platforms. Could you be more specific?

[Dimitrov] To us all three questions are of equal importance. However, if something becomes of special interest, let it be. Let me say a few words about the history of the BZNS as a political organization: In its 90-year history it has never betrayed the national interests and has nothing to be ashamed of. Naturally, I must mention the credit owed to the agrarian government headed by Stamboliyskiy in supporting Bulgarian national interests in the exceptionally difficult conditions which followed World War I, the conditions of a defeated, a destroyed Bulgaria. Actually, today the political situation is not all that different. That is why the BZNS assigns an important role in its electoral platform to our country's national interests. By this we mean preserving our territorial integrity, defending the unity of the nation, and adopting an open and clear position concerning all global problems, above all those involving our neighbors.

[ZORA] Could you comment on our relations with Greece and Turkey? How do you assess the charge that Bulgarian policy has become Americanized?

[Dimitrov] As I mentioned, we consider relations with our neighbors as part of Bulgaria's road to Europe. We must deal with the sensitive features in our relations with neighboring countries. This position fits the context of our relations worldwide. As a part of Europe we are, unfortunately, its village. This applies not only to Bulgaria but to most Balkan countries. In order to civilize this village we must dedicate maximal efforts, I repeat, in dealing with the sharp angles.

Hence the question that our country has just about become Americanized. Let me recall the position adopted by Stamboliyskiy in 1919, at the Geneva Conference, on the subject of a United States of Europe. This position is little-known to the public at large. I believe that the agrarian leader was exceptionally perspicacious. The agrarian union does not support the position of the pendulum, does not swing from one extreme to another. Bulgaria's natural geographic location, the country being part of Europe, determines the European nature of its policy.

[ZORA] What is your view on the participation of parties in the electoral struggle on an ethnic basis?

[Dimitrov] Such problems must be resolved in accordance with the Constitution and the laws. The court is the authority empowered by the Constitution to resolve the problem of the registration of political parties and movements for the elections. The judicial authority is the third independent branch. We are speaking of a fourth one, are we not?

[ZORA] We have already realized that absolute freedom does not exist, hence independence.

[Dimitrov] Yes, freedom must not obstruct the freedom of others. It must obey the laws of the country. I will frankly tell you that I have not been in touch with representatives of the DPS although I have visited parts of the country where its position is strong. Let me note, however, that there has been no confrontation in the discussions I have held (related to the land). In those areas the people are not separated into Bulgarians and Turks. They are Bulgarian citizens interested in the restoration of land ownership.

[ZORA] You speak like an optimist about the future rapprochement between the two communities.

[Dimitrov] I was born in such an area, I was born in Razgrad. I have good memories, naturally, from quite old times. I would frankly welcome the resumption of relations in the purely human sense between people who have Turkish names and a Turkish self-awareness, on the one hand, and the Bulgarian population in those areas, on the other.

[ZORA] In those areas the Turks have no land. How can ownership be restored, when the former owners moved to the big cities quite a long time ago, while the land was being farmed by the Turks?

[Dimitrov] The fact that the Turks have no land is a rather relative concept. I believe that the law provides for adequate opportunities for the purchase of land: There are state and municipal lands which are subject to sale in accordance with proper procedures. In the past 40 years not one of us was an owner and now we are beginning to talk. Ownership, however, is consistent with the labor which a person has invested and given to society, his family, and himself. These concepts are an intrinsic part of the views of the BZNS. The interconnection between them will paint a new image of Bulgaria as a state, consistent with European reality.

[ZORA] How do you project the results of the electoral campaign?

[Dimitrov] I consider them as a function of the political activeness of each specific force. Elections, however, cost money and that is why one of the political forces will objectively be somewhat ahead in the campaign. It is difficult to program results, but my personal understanding is that after the elections the opposition forces will prevail or, more specifically, the BZNS will.

[ZORA] Thank you. I wish you success in the elections.

[Dimitrov] And I thank you.

Central Electoral Commission Determines Mandates

*91P20472A Sofia DEMOKRATSIYA in Bulgarian
3 Sep 91 p 1*

[Article by Krum Slavov: "Yesterday the Central Electoral Commission Distributed the Numbers of Mandates Per Region"]

[Text] Mrs. Ganeta Minkova, the spokeswoman of the TsIK [Central Electoral Commission], said that the members of the commission have accepted as official the data on the population of Bulgaria submitted to them by the National Statistical Institute. According to the data, the population of the country is 8,989,000. Added to that figure is another 17,000 people who were not counted for the capital area, because of which the commission fixed the number of inhabitants at 9,006,000. On the basis of this number, the distribution of mandates to the 31 electoral districts has been made as follows:

Blagoevgrad District—10,

Burgas District—12,

Varna District—13,

Veliko Turnovo District—9,

Vidin District—4,

Vratsa District—8,

Gabrovo District—4,

Dobrich District—7,

Kurdzhali District—8,
 Kyustendil District—5,
 Lovech District—5,
 Mikhaylovgrad District—6,
 Pazardzhik District—9,
 Pernik District—5,
 Pleven District—9,
 Plovdiv city District—10,
 Plovdiv region District—11,
 Razgrad District—5,
 Ruse District—8,
 Silistra District—5,
 Sliven District—6,
 Smolyan District—4,
 Sofia city I District—12,
 Sofia city II District—11,
 Sofia city III District—10,
 Sofia region District—8,
 Stara Zagora District—11,
 Turgovishte District—4,
 Khaskovo District—9,
 Shumen District—7, and
 Yambol District—5.

The distribution of mandates resulted in a "value" of one mandate (that is, the average rate) per 37,528 inhabitants.

In accordance with Article 34, Paragraph 2, of the Election Law, the TsIK decision is subject to appeal to the Supreme Court within a three-day period.

As of yesterday, 19 parties had submitted their requests for registration to participate in the election.

Legal, Financial Aspects of Child Labor

91BA0971A Sofia VEK 21 in Bulgarian 24 Jul 91 p 5

[Article by Romyana Mikhova: "Reservations for the Doomed"]

[Text] After the scandalous disclosures about the merciless exploitation of child labor in the so-called upepeta [UPP—training and production enterprises] you might have expected some change. Or at least an attempt to turn these labor camps for children of impaired health

and minds into normal educational institutions where uniting them with the society of healthy people would be the principal goal. It cannot be denied that such an attempt was made by Decree No. 63 of the Council of Ministers, dated 11 April 1991. The trouble is that this "well" thought-out and long-awaited decree, signed obviously "on trust" by the president and the general secretary of the Council of Ministers, is simply impracticable. And due to this feature, it is quite natural that to this day it has not been able to enter into force.

What is the trouble? Published on 23 April 1991, this incredible document, "with effect from 1 March, converts the 'Trud' [Labor] training and production enterprises and the homes for trainees thereat into SUPZ's [training and vocational establishments]." At first glance, this is marvelous, very humane! Concepts like "labor" and "production" are eliminated, are replaced by "vocation," and the ingratiating word "social" is added. All in all the statute is not seriously changed—from workers the children are transformed into pupils, and self-financing enterprises into social establishments. But how can this be with effect from 1 March, with backdating? Doesn't the Labor Code require one month's notice when the children's labor contracts are terminated? The same also applies for the rest of the personnel. For, in practice, out of the 60- to 70-person administration that year after year filled their pockets with bonuses and coefficients, there should remain no more than 10 to 15. And something else—I refer here to the unification of two juridical persons—the "Trud" UPP's and the trainees' homes—into one. In other words, a financial audit, inventory-taking, the forming of commissions etc.—and this isn't done in a day or two, even less so is it possible by backdating. There's no way of doing this. Not to mention that a new table of organization and new job descriptions are required—all things that are being thought about...backdated.

Realizing that this job will not be done by the date in question, the "specialists" from the Ministry of Labor and Social Welfare are submitting to the Council of Ministers a new proposal with a new date. And since time is passing and there is still no signature, "X day" is periodically changed—1 July, 1 August, etc. Unchanged alone is the fact that on 15 September the child laborers who are now on their regular paid and unpaid leaves will enter the same buildings, the same dusty and stuffy workshops and plants. They will come once more behind the portal of their reservations, far from the glance of the KHEI [Hygiene-Epidemiological Inspectorate], where there will be nobody to protect them from toxic paints, varnishes, and chemicals, from climbing up high ladders, from lifting heavy weights.... Thus they will not realize that under the statute they are now pupils rather than workers.

In the interest of truth, even I could not understand some things in their new training program (as of 1 January 1991)—the occasion for particular pride on the part of the Ministry of Labor and Social Welfare. Not only did they warn me that journalists had difficulty in grasping

this difference, but to this day I cannot understand how training practice differs that much from production practice, given that in both cases some product is produced that is then sold. The children are simply working as they did before, and how we term these six hours of labor is of no significance. Something else I could not understand—why not give up altogether vocations such as furniture and shoe production, metal working and house painting? Activities while, in one way or another, no matter what the programs say, afford an opportunity to abuse the health of these already disabled children.

Why do these unfortunates have to be adapted to the world generally in just one way—through “training” in heavy and—for them themselves—unattractive labor? Why does nobody concern himself with them individually? Why does nobody make an effort to draw out and stimulate the hidden unsuspected talents of each child, regardless of its mental or physical disability? Some of them perhaps can and want to draw; others would find their mental repose through musical therapy. But who would think of such things when the goal is something else and is more than obvious—production with a cheap labor force. That is why there is no need in these “establishments” for specialists in the study of physically and mentally handicapped children. That is why the “brass hat”—the Ministry of Labor and Social Welfare—does not need the intervention of the two other departments that are concerned with these children's problems—the Ministry of Education and the Ministry of Public Health. To date not a single official working meeting of specialists from the three ministries has been arranged, nor has it occurred to anybody to set up an expert council.

For years the Ministry of Education “bombed” the former Ministry of Public Health and Social Welfare with letters (at the ministerial level), requesting that it be given the right at least of methods supervision in UPP training and educational activity. After repeated refusals, only now by Decree No. 63 has Social Welfare designed to give Education these rights. Only on paper, of course. And having decided that they had completed work on the decree in question, “competent” jurists from the Ministry of Labor and Social Welfare rolled up their sleeves and prepared new regulations. As always, they worked in complete isolation without coordinating anything with anybody (they probably laid some kind of curse on Education and are holding to it). The question of money is “solved” in the draft regulations in an especially interesting way.

Hitherto the children received their 100 leva “pay” and in recent months 130 leva each as compensatory adjustments (in some places received, in some places not, as was the case with the Sofia “Trud” UPP, for example). Absolutely illegally 50 percent of this money was held back from them for food and dormitory. With effect from the new training year, those who are over 16 and have no personal income will receive 40 percent of the amount of the minimum social pension, that is to say 161 leva (if we use July data). But the smaller, 14- and

15-year-old children will have to pay fees for “room and board,” calculated as a function of family income. In most cases we are dealing with socially weak families, with alcoholic and mentally handicapped parents, who, as soon as they understand that they will have to pay from their own pockets so that their child can be “trained,” simply will not consent. Where will these children go then? Why, on the street, of course, which will teach them other “vocations”—to beg, to steal, to “sniff” glue.... And all this despite the fact that the updated state budget appropriates 59 million leva for the support of the new SUPZ's—nine in the entire country.

Where will all this money go? Where did the millions go heretofore that were paid out in the form of subsidies to stimulate production at the “Trud” UPP's? I wonder whether we will not get the same answer to the question again if we trace the money's path—from the state budget to the budget of the obshtina people's councils, to the individual (now regional) social welfare centers. Not that I'm hinting at anything, but I wonder whether here somewhere lies the reason for Social Welfare's jealous attachment to these establishments.

And somehow I cannot believe that precisely this “welfare” that for years on end permitted the cynical exploitation of defenseless sick children will now be able to befriend them. For to this day there has been no real change in their lives, darkened by their disability. The ill-considered prescriptive documents by which the Ministry of Labor and Social Welfare has tried to regulate matters are obvious proof of the lack of competence and genuine concern. And let us not forget that whereas today it is a question of 1,700 children, tomorrow there will be many more. Into the ranks of those still working we are going to have to inject the posterity of the radioactive cloud of 'Chernobyl.

Tax Loopholes for Certain Kinds of Companies

*91BA0969A Sofia DEMOKRATSIYA in Bulgarian
26 Jul 91 p 4*

[Article by Candidate of Juridical Sciences Ivan Todorov: “Private Firms Must Be Tax-Exempt for at Least Five Years”]

[Text] One of the most prevalent forms of economic activity under Ukase 56 was the collective firm. Under an explicit provision of the ukase the partners only paid a tax on gross income, while the firm paid no tax on earnings. The greatest advantage of the collective firms (and solo proprietorships as well) was that the money with which they purchased working capital was not taxed, i.e., was not included in gross income subject to taxation. This was an extremely powerful incentive for the development of private business. And this incentive was gained by changing the regulations on enforcement of the ukase more than a year ago.

The point is that under the Trade Law all companies are juridical persons while, as is known, under the Ukase on

Economic Activity collective firms (and solo proprietorships) are not. A question arises whether some juridical persons do not pay an earnings tax (I refer to the former collective firms), while other juridical persons do. On the one hand, under the present regulations of Ukase 56 nowhere is it said that only juridical persons shall pay an earnings tax; on the contrary, they say that firms shall as a rule pay an earnings tax. But the special provision, still in effect, of Article 87, Paragraph 4, of the ukase by way of exception expressly specifies that the collective firms do not have to pay an earnings tax. But this would be at variance with the fact that a juridical person as a personified legal subject must be independently taxed. A further argument in the case is that the former collective firms may not be taxed differently from the former citizens' corporate firms now that both are collective companies under the Trade Law. Hence we arrive at the conclusion that all collective companies (irrespective of whether they are former collective firms or not) should pay an earnings tax. Actually, a Ministry of Finance conference arrived at the same decision. That this ministry was influenced by considerations of collecting more taxes is a different question. All this makes it imperative to revise the Law on the State Budget, which takes into account the fact that collective firms are taxed only in accordance with Article 13 of the Law on the Gross Income Tax.

The most significant question, however, remains whether the money with which one purchases capital assets of collective companies which are former collective firms shall be exempt from taxation. I think that the answer to this question is affirmative. Article 87, Paragraph 4 of Ukase 56 is operative and is not at variance with the fact that a collective company is a juridical person. This being the case, prompt legislative intervention is necessary in order to exempt from taxation, both

for all former corporate forms and also for newly established collective companies with predominantly private capital, the money with which working capital is purchased. It is absolutely necessary that for at least a fixed period of from three to five years private business enjoy the most rudimentary taxation—that the capital for its development should not be taxed. To be sure, better still would be to do as is done in most civilized countries, viz., during the first three to five years after the establishment of the company it should be exempt from taxation or at least the rate thereof should be significantly lower. The exemption of depreciation allowances from taxation has a significantly later effect and does not stimulate the initial development of the economic entity.

To be sure, it is very probable that no substantial alleviations will be granted to private business as far as taxes are concerned. In such an event, we would advise the founders or participants in collective companies to do as follows. First, register as individual merchants and then establish a company under the procedure of the Law on Obligations and Contracts. Individual merchants pay no earnings tax, and the money with which they purchase working capital is exempt from taxation. And given the existence of an agreement for a company, the partners can be represented by one person and their economic activity will be joint, i.e., almost the same result is achieved as with the former collective firm.

All these problems and obscurities resulting in contradictory interpretations would not have arisen if the Trade Law had settled these problems in its transitional provisions. It would not be a bad idea when an economic law is in the making to enlist specialists in financial law as well as from other areas of the law. It is obvious that the additional "tinkering" with laws such as the Trade Law and that on foreign investment after their adoption by parliament has not been adequate.

Clash Between Walesa, Advisory Committee Viewed

91EP0680A Warsaw *POLITYKA* in Polish No 34,
24 Aug 91 p 3

[Article by Janina Paradowska: "Advisers Are Not Happy With the President: A Voice From the Couch"]

[Text] They began with a hard hit: The "popiwek" [the tax on above-the-plan growth of wages] should be abolished, the members of the Advisory Committee for the president said. This caused a big fuss immediately. Prime Minister Bielecki was surprised that "so many honorable persons signed such a substantively inconsistent statement"; Deputy Prime Minister Balcerowicz found it unfortunate both in content and in the moment of release. President Walesa kept his distance and expressed his approval for the government policy. It is worth remembering that February was the period of greatest resistance to the "popiwek." The wave of protests spread around the country; union administrations did not really know how to get the matter off their hands. The statement by the Advisory Committee added fat to the fire and heated up tempers. The fact of release of a public statement itself brought up the question: What exactly is the Advisory Committee? Is it a team of experts who prepare the analyses and evaluation for the head of the country, or is it an independent political unit that uses the presidential umbrella but plays for its own sake? All the later public statements of the committee confirmed the second version. The Advisory Committee was formed at the beginning of February, when the president's attempts to form a political council failed. The mission by professor Wieslaw Chrzanowski, who was to create some sort of presidential council, came to nothing, and thus a concept which shocked many circles, and which the press spokesman for the president defined as "transfer of big politics to the Belveder [palace]," could not be realized. The Advisory Committee was constituted on the ruins of those earlier ideas. The appointment of the committee was quite commonly understood as a gesture of gratification from the president toward those people who were to create "the breakthrough government," lead by Jan Olszewski. Not without reason, the committee was treated from the beginning as the shadow cabinet. The fact that this breakthrough government remained only as an Advisory Committee, deprived of rights and a constitutional position, had, and still has, serious consequences: first of all, that this body appeared before the wider public at times when there was a need to attack the economic policy of the government. The so-called Belveder conference of economists had been the most famous deed of the committee to now. This was decidedly viewed as an attempt to abolish Bielecki's government, or at least to eliminate Deputy Prime Minister Balcerowicz. Zdzislaw Najder told me that after those experiences, the committee stopped announcing its statements on public affairs because it "did not wish to be used for political games." But if that meeting was not meant to be a political game, then I really do not know what it was

supposed to be. How can one believe that experienced politicians organize a meeting of economists, the majority of whom dream of a trial for Balcerowicz, and do not see any political consequences of such a meeting? In addition, they organize this meeting in the Belveder, in the residence of the president—who was responsible for the formation of this government—and they do not hide the fact that they want to settle matters with the economic policy of this government, which is under the leadership of the president. No matter what sacred goal the Advisory Committee had in mind, it is a fact that it caused a real antigovernment fever. Last week, the advisers again showed up on the political scene, with the publicly announced proposal that the president declare himself, in the coming election, clearly for "the independence and democratic forces" and to abandon "the formula of the president of all Poles and, for the explicit formation of the Polish political scene, become a president of those political circles which supported him in the presidential campaign, which raised him to the present post and which today are his natural base." The proposal was presented in more detail in *RZECZPOSPOLITA*, in an article by Slawomir Dabrowski entitled: "The President of an Era of Great Change." Dabrowski considers a major change in Lech Walesa's behavior to be essential. The president should abandon politics as presently conducted, being based on the idea that changes are made while maintaining a certain political balance. Instead of such balance, it is necessary to have the definite support of the Belveder group, which is the only group which has a program for Poland. Dabrowski presents the details of this program rather vaguely, and one can infer that it comes to finishing with the communist and postcommunist system—thus the Center Accord's well-known postulate of disposing with the *nomenklatura*. The president should support the Belveder group also because it is the only political power which in the future parliament (if, of course, it will have an adequate representation; this will depend, to some extent, on the president) will assure him greater constitutional rights. The matter is explained clearly, and has the character of a linked transaction. The proposal for the president is as follows: He should not be a president for all the Poles but only for the Belveder group, which is openly named here. In this group are included: the Center Accord, the Citizens Committees; the Christian-Democratic circles, which are not precisely defined; the authentic peasant movement (Roman Bartoszcze is lately hidden under this name); and "many leaders of Solidarity." The Belveder camp thus coincides almost precisely with the electoral coalition created by the Center Accord. According to this classification, the following are not included: the Liberal-Democratic Congress, which is the party of Prime Minister Bielecki; the Republican Coalition, which is led by staff of the Presidential Office, and even the president's political adviser; the Democratic Union is only just "the inspiring avant-garde of the rear guard," meaning of the communists. The others are not even worth mentioning. This division was done in a very clear way. The true democrats and sympathizers of reforms were precisely named, as were their opponents, and the preelectoral landscape became

very readable for the voter. I will not argue about the phrase "president of all Poles" because, as far as it goes, it does not mean a lot. I am willing to agree with Professor Kurowski when he says that Lech Walesa is the president of all the Poles from the administrative and formal point of view; but if one takes ideology into consideration, then the situation is completely different. However, the president of the Republic of Poland, reduced to the role of the chairman of an Electoral Committee—this is really too much. The Advisory Committee proposal appeared a dozen or so days after Lech Walesa said at a press conference that he wants to keep political balance, and does not know whom he will support in the coming election, and even promised to support the left if necessary, should the left turn out to be weak. It is hard not to notice the concurrence of those statements, and not to notice that the committee, concerned, tried to exert pressure on the president, to make him support the Center Accord coalition. Once again, the committee proved what was known anyway: that it is the product of one political movement only, and a party pressure group of, not a team of, pluralistic and independent experts, nor, at the least, a group of politicians of different political views, thanks to whom the president would be able to see different sides of every problem. Presently, any problem is seen from one point of view only, in three forms: the Center Accord, the National Citizens Committee, and the Advisory Committee. Great confusion occurs when the same, small group of people appear under such different banners, though there is really only one organization. In addition, they commit a certain usurpation: They claim that they represent all circles that supported Lech Walesa in the presidential campaign, which has ceased to be true a long time ago. The misunderstandings with the committee are the result mainly of its name, and that advising the president is something different than making public statements contrary to the president's position (see the case of "popiwiek"). The same actions, under any party banner, stop provoking emotions, and become a normal element of the political game. I do not know if the president is pleased with his advisers. I know that the advisers are not pleased with the president. What really frustrates the committee members today is the minimal effectiveness of their advice. The president supports Balcerowicz; he does not interfere with foreign policy, which is the domain most attacked by the committee; he does not make energetic changes in the Army; he does not fulfill the proposals of his advisers in matters of security. It is hard to estimate the value of projects submitted to the president, because none of them were publicly presented, and journalists also have no access to them. Maybe they are excellent (I was assured that they are of the highest quality). From interviews with some members of the committee, I can only assume that the goal of analyses and opinions submitted to the president is to induce him to acceleration. One of the members of the committee told me: "The president does not understand the mechanism of democracy. In the presidential election, people voted for a program that is not fulfilled; they voted for acceleration, but meanwhile there is no

acceleration, yet there is Balcerowicz. A new beginning was promised and we have a continuation instead." Well, elections are won under some slogans, and governing is exercised under different slogans. Poland seen from the Belveder probably looks slightly different than Poland seen from Gdansk. From the couch of the adviser, it also should look different than it does from the position of a party leader. This constant mistaking of roles does not help the clarity of the political scene, for which the Advisory Committee is fighting.

Reasons for Poor Officer Recruitment Cited

91EP0671A Warsaw WOJSKO I WYCHOWANIE
in Polish No 6, Jun 91 pp 6-10

[Article by (Sew.): "Where Are We To Get Officers?"]

[Excerpts] At the beginning of 1991, 93,412 servicemen were in professional service with the Army, out of which 46,991 were officers (50.3 percent of the cadre personnel), 25,914 warrant officers (27.7 percent) and 20,507 noncommissioned officers (22 percent). At present, there are about 21,000 vacant positions in the armed forces. Most of them are noncommissioned officer positions—10,500 warrant officer positions—about 5,500, and about 5,000 positions are in the officer corps.

In the 1990/91 school year, 5,483 candidates stated their intention to begin studies at military schools, out of whom 1,425 high school graduates sought admission to military academies (1.8 candidates per slot), 1,464 (1.2) sought admission to higher officer schools whereas 2,594 wanted to go to warrant officer schools (1.6). The number of those stating their intention to study in the armed forces turned out to be illusory because only 4,245 candidates began taking admission exams; others changed their previous decision.

The above data on the cadre situation in the armed forces and the interest of young people in the military profession paint the picture precisely as it is—a result of changes occurring within the armed forces and the declining prestige of the profession of soliders in our society. It may be observed that the cadre situation in the armed forces has recently been determined by two interconnected factors:

- 1) The structural and organizational transformation of the armed forces accomplished in keeping with the principles of the national defense doctrine and the results of the Vienna talks, and
- 2) The socioeconomic situation of the country, on which the financial incentive for professional military service hinges.

Improvement of Personnel Assignments

The number of filled positions envisaged for professional cadres stands at 82 percent. Officer positions are filled to the highest degree (89.0 percent); in the warrant officer corps this statistic comes to 67.7 percent, whereas for

noncommissioned officers it is 51.1 percent. The actual professionalization of the armed forces (the ratio of the number of professional servicemen and the overall personnel strength of the armed forces) amounts to 35 percent. The intellectual potential of the cadres consists of 5 percent of the officers who have academic degrees and titles (132 professors, 218 holders of doctor degrees, and 1,735 holders of master degrees). Graduates of higher schools account for 41 percent, and graduates of higher professional schools account for 45 percent.

The transformation of the organizational structure of the armed forces is accompanied by the process of improving personnel staffing at all command levels. Last year alone, cadre changes of an unprecedented scope were made. Personnel changes were made in the position of the minister of defense and all deputy ministers, and in 267 general billets. Changes occurred in all positions of military district commanders and commanders of the armed services. In addition, 92 percent of the chiefs of the headquarters offices of the Ministry of the National Defense were replaced, as well as 84 percent of their deputies, 69 percent of the chiefs of administrations in these institutions, and about 70 percent of the deputy commanders of the military districts and armed services. The personnel action undertaken has made it possible to considerably reduce the age of the holders of positions in the headquarters offices and in the commands of districts and armed services.

At present, 85 generals and admirals serve in the Ministry of National Defense in strictly military positions. We published a full list of their names in our monthly (No. 12, December 1990). The average age of this group of cadres amounts to about 54 years. A total of 39 generals and admirals were discharged (transferred to retirement and reserves) from the military service. At the same time, 8,378 officers, 3,390 warrant officers, and 2,245 noncommissioned officers left the ranks of the Army. Personnel at the rank of colonel and lieutenant colonel accounted for most of those discharged from the officer corps. Reaching the age limit for the rank held was unquestionably the main reason for discharges.

This year, there are plans to discharge about 10,500 cadres from the professional military service, including 35 generals and about 6,500 officers. Senior officers will be discharged who have reached the following ages: At the rank of major—50 years, at the rank of lieutenant colonel—55 years, and at the rank of colonel—58 years. Generals and officers with the academic title of professor or the degree of doctor will leave the service this year if they have reached the age of 62. Senior officers (regardless of age) who have not graduated from at least higher professional schools will also leave, that is, those whose education ended after a three-year officer school.

Despite a considerable number of authorized vacant positions intended for professional cadres, considerable difficulties occur in placing cadres who have lost their positions due to their units being disbanded or reformed into new service positions. These cadres are placed on

the so-called transitional list until they are again appointed to service positions. However, in many cases, this segment of career servicemen has not been accepting new cadre proposals that have been made from time to time. The following may be among the reasons for this state of affairs:

- Reluctance to leave the current garrison due to, for example, the high cost of moving (full financial compensation for moving is not provided).
- An acute shortage of apartments and jobs for the families of the cadres in many garrisons.
- The offers made do not necessarily take into account the education, experience, and aspirations of the interested parties.

It should be noted that the release of several thousand desirable positions (in the headquarters offices of the Ministry of National Defense, in the commands of military districts and armed services) has provided an opportunity for many young officers to advance in the service, and has made it possible for them to satisfy their ambitions and expectations more completely. This trend will be reinforced, which is facilitated to a considerable degree by the modified policy on discharges and the effort to streamline personnel assignment.

Troubles With the Availability of Candidates

The decline in the number of candidates for military schools and educational establishments has been recorded for several years now. The retrogression has been underway since 1983, and it has continued to deteriorate. Therefore, the number of those willing does not ensure that appropriate selections are made at the stage of admission exams and that an appropriate number of students for academies, higher officer schools, and warrant officer schools will be recruited. Recruitment to these educational centers ranges between 80 and 90 percent of requirements, whereas the dropout rate of officer candidates and cadets in the course of instruction comes to 20 percent. The recruitment of candidates for service in the professional noncommissioned officer corps has also declined by a factor of three, from about 2,200 in 1989 to 700 the next year. The reasons are all too obvious: First of all, a lack of professional stability and poor personal, social, and financial incentives compared to the input of labor and the sacrifice required in the service.

Since 1989, the difficult situation concerning the recruitment of candidates to professional schools has been mitigated perceptibly by the influx of graduates of military secondary schools. Last year, 427 such graduates qualified for studies (185 at the academies and 242 at the higher officer schools), which accounts for 26 percent of the total number of candidates admitted to military schools (in 1989, 24 percent).

The popularity of individual military schools and warrant officer schools varies greatly. The interest is great in

academies training candidates to be career servicemen (the WAT [Military Technical Academy], the AMW [Naval Academy], and the WAM [Military Medical Academy]), in which the number of candidates exceeds the number of slots by about a factor of two; this makes it possible to conduct proper selection and admit only the best students.

Traditionally, from among the higher officer schools, the greatest number of candidates have sought admission to the WSOSK [Higher Officers School of the Quartermaster Services]—more than four per slot, and to the WOSL [Higher Air Force Officers School]—two per slot. In the opinion of young people, the SChWZ [Mechanized Troops Warrant Officer School] and the SChWP [Tank Forces Warrant Officer School] are among the most desirable warrant officer schools, in which more than three candidates vie for each slot, as well as the SChSUiE [expansion unknown] with 2.7 candidates.

Lower interest among young people in career military service is evidenced not only through a decline in the number of candidates seeking admission to professional military schools, but also through their intellectual ability, which is not necessarily adequate. This results in an increased rate of discharging officer candidates and cadets from these schools in the course of studies. In the 1989/1990 school year, as well as in 1988/1989, the outflow of officer candidates and cadets from military schools came to the unprecedented level of 20 percent of the total number of the students. In view of the above, the intake of new officers and warrant officers into the troops will amount to about 50 percent of the quotas planned from this year on.

Little interest in career military service becomes particularly significant in light of the planned increase in the rate of the professionalization of the Polish Armed Forces from about 37 percent to 50 percent as of the year 2000. Achieving a rate of professionalization so high will become unrealistic unless a radical improvement occurs in the area of selecting candidates for military schools and service in the noncommissioned officer corps, and unless the trend of excessive discharges of young career servicemen from the armed forces is arrested. The strength of professional cadres may otherwise drop to a level which will make it impossible to fully accomplish the tasks facing the armed forces.

Many hopes with regard to improving the strength of the armed forces may be attached to a new form of military service called contract service, which is expected to be introduced in keeping with the new, pragmatic law. Those who will enlist in contract service will tie their future to that of the armed forces on full partnership terms for a definite period of time, rather than, in principle, indefinitely, as has been the case. Their rotation in their first and subsequent positions will be determined by the term of their contract (five years, with an opportunity to extend this by another term). The continuing influx of young officers into contract service

will facilitate creating the proper structure of military ranks in this corps of the cadres.

Candidates for contract service are needed in all corps of the cadres. However, this mainly involves specialists who are not trained by professional military schools. The needs in this area are large, but meeting them will depend on more attractive terms of service, financial competitiveness with regard to other professions, as well as reasonable living conditions and an improvement in the social prestige of the military profession.

The underlying reasons for a lower interest on the part of young people in professional military service are primarily financial; this is caused by the poor financial standing of the state, and therefore also the armed forces. Military service is increasingly seen in the community of young career servicemen and of young people in schools above the elementary level as an unstable profession, and the labors associated with engaging in this profession are viewed as a need to make sacrifices that are not reflected in an appropriate financial standing for career servicemen. Career military service means indefinite work hours, which one frequently has to put in in remote garrisons. Career servicemen are forced to live apart from their families, frequently for many years, due to the acute shortage of apartments in most garrisons. In addition, all officers have to improve their skills continuously. Being promoted to still higher service positions most frequently involves changing one's place of residence (five to seven times during the entire period of professional service).

A cumulative decline in the attractiveness of career military service is not a transient phenomenon but a trend which has been mounting for several years. Reversing this phenomenon is not up to the people in uniform alone. Having effective armed forces is in the interest of society as a whole. [passage omitted]

A press conference on 8 April 1991, which was attended by Brig. Gen. Ryszard Michalik, chief of the Department of Cadres of the Ministry of National Defense, was devoted to current and future issues in cadre activities of the armed forces of the Republic of Poland. Brig. Gen. Dr. Ryszard Muszynski, chief of the Administration of Military Education of the GZSzb [Main Administration of Combat Training], familiarized journalists with topics concerning education and the recruitment of candidates to military schools and educational establishments during a press conference at the WSOWL [Higher Signal Officers School] School in Zegrze.

Information Obtained on the Day the Issue Was To Be Printed

I. Number of generals on active duty—101 (on 18 June of this year).

II. Between January and the end of May of this year, 1,116 officers left the armed forces. The reasons for discharging them are as follows: Found unfit for career

military service by the WKL [Military Medical Commission]—232, reached the statutory age limit—30, lost their military rank—2, reached the age limit for the rank held—135, at their own request—520, and for other reasons—197. The outflow of professional warrant and noncommissioned officers was also significant. Beginning in June, the inordinate growth of the number of requests to be discharged from the Army will certainly occur primarily as a result of proposals contained in the draft law on retirement benefits and annuities which are detrimental to the professional cadres of the Polish Armed Forces. For now, it is difficult to say how many people will leave the Army solely for this reason. We are closely following this matter, and we will inform our leaders about it on an ongoing basis.

III. Statistics on the recruitment of candidates to military schools and educational establishments appear to be instructive. We are publishing them below, noting that they come from the first days of June 1991.

School	Admission Quota	Number of Applications	Candidates Per Slot
Military Technical Academy	385	503	1.3
Military Medical Academy	250	403	1.6
AMW [Naval Academy]	180	176	0.97
Higher Mechanized Troops Officers School	250	357	1.4
Higher Officers School of Rocket and Artillery Forces	135	34	0.2
Higher Air Defense Officers School	75	45	0.6
Higher Officers School of Military Engineers	160	112	0.7
Higher Signal Officers School	200	122	0.6
Higher Officers School of the Quartermaster Services	90	318	3.5
Higher Officers Radio Engineering School	150	53	0.35
Higher Air Force Officers School	130	114	0.9

The average number of candidates per slot in warrant officer schools amounts to 1.62. The SchWZ draws the greatest number of those wishing to join, i.e. 536 candidates for 160 slots (3.4), the SchSUiE—266 candidates per 100 slots (3.2). There are also schools that are of less interest to young people, for example, the SchWL [Warrant Officer School of Signal Troops]—0.5, and SchMW [Navy Petty Officer School]—0.5.

Overview of Impact of Imported Goods on Market

90EP0678B Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 31 Jul 91 p IV

[Article by A.K: "Imports Drop Statistically, Although Decline Not Visible on the Market"]

[Text] Are the views that the domestic market is being dominated by goods coming from abroad correct? Superficial observations of trade, especially in the large urban complexes, can support and promote these convictions, because every day we keep coming across shops and stands full of artifacts from Thailand, Chinese cottons, and objects from Italy, Turkey, and Germany. A group from the Ministry of Industry's Department of Analysis and Forecasting, headed by Zdzislaw Kominczyk, conducted an interesting analysis of the extent to which imports constitute the supply of nonfood consumer items on the domestic market. Although it is true that this analysis did not include total import sizes, because complete statistical data on this subject were not available, it provides some orientation concerning the significance of these imports in domestic trade and in the particular commodity groups. The analysis of import deliveries included 18 item assortments, including basic industrially produced durable goods, chiefly from the electric machine branch, as well as soap and detergent products, clothing, and footwear. The following table provides data on imports over the past two years and for five months of this year:

Percentage of Imports Making Up Total Commodities on the Market

Commodity Group	1989	1990	5 Months	
			1990	1991
	2	3	4	5
I. Goods for Which More Than 20% of Supply in 1990 Was Imported				
1. Total washers and dryers	32.1	44.9	25.8	20.6
2. Refrigerators and freezers	57.4	49.3	35.9	26.8
3. Television sets	41.8	59.0	35.9	51.2
Of which: color	56.9	76.7	53.3	61.7
4. Knit underwear	32.6	27.0	34.6	24.0
II. Goods for Which Between 10% and 20% of Supply in 1990 Was Imported				
1. Automobiles	14.7	14.0	12.4	12.1
2. Bicycles	20.2	15.2	21.0	4.0
3. Radios	39.7	16.9	17.6	5.6
4. Knitwear	19.8	15.9	17.6	9.1
5. Clothing made of fabrics	19.0	12.1	12.9	6.8

Percentage of Imports Making Up Total Commodities on the Market (Continued)

Commodity Group	1989	1990	5 Months	
			1990	1991
I	2	3	4	5
III. Goods for Which Less Than 10% of Supply in 1990 Was Imported				
1. Vacuum cleaners	2.1	2.5	1.6	0.7
2. Sewing machines	0.1	1.1	—	0.1
3. Laundry and washing agents	2.1	2.1	1.4	1.3
Of which: soap	3.4	2.2	1.4	1.3
4. Finished cotton fabrics	10.1	8.5	16.3	2.2
5. Finished woolen fabrics	4.8	2.1	0.4	1.5
6. Finished silk fabrics	8.4	7.5	8.3	2.5
7. Hosiery	5.6	2.2	3.7	1.1
8. Fabric coats	13.3	9.0	12.0	5.0
9. Footwear with leather uppers	3.6	4.2	1.2	1.0

The figures show that color television sets predominate among the imports on our market. This year imports provided over 61 percent of the supply, followed by knit underwear (24 percent) and refrigerators and freezers (over 26 percent). It is worth noting that in contrast to last year, when there was a substantial increase over the previous year in imports of most commodities examined and the share of imported color television sets exceeded 76 percent, during the final months of that year these deliveries showed a significant decline. Refrigerators, freezers, washers, and dryers showed the greatest declines. In terms of the extent to which imports supplied the domestic market, the second group, from 10 percent to 20 percent, includes items such as automobiles, bicycles, radios, and clothing. Last year this group showed a decline in deliveries of all these items to the domestic market, compared to 1989. This trend was also maintained during the first five months of this year. Deliveries of most imports delivered to our market, such as vacuum cleaners, sewing machines, washing agents, and the basic commodities of light industry, such as underwear, coats, hosiery, and fabrics, do not presently exceed 10 percent of the total deliveries to that market. During the first five months of this year imports of most of the items in this group also showed a further decline in comparison with last year. The analysis presented also includes a second index alongside the percentage of supply provided by imports, that is, the size of the imports in natural units. These figures show that in connection with the great decline in deliveries to the consumer goods market last year, the rise in the percentage of imports making up the supply last year did not always mean that there were actually more imports. The analysis shows that last year, compared with 1989, only four of the 18 commodity groups had an absolute

increase in deliveries from abroad. This applies to washers and dryers, sewing machines, automobiles, and television sets. Imports of other goods, calculated in natural units, declined, in many cases even by more than 50 percent. An analysis of the data for the first five months of this year, compared with a similar period last year, also confirms this trend. The increase in imports applies only to television sets and woolen fabric. Imports of most other items declined during this period.

In closing, we should emphasize that the figures of the above-mentioned analysis are based on statistics from GUS [Central Office of Statistics], which collects the data on the basis of copies of import invoices, but some importers employ simplified bookkeeping methods and are not obliged to turn over their invoices. In addition, a good share of the goods imported come over the border through customs declarations. In this case the statistics apply merely to the value involved. In addition, as everyone knows, some items find their way to our market without being cleared through customs. All this means that the statistics on imports are incomplete, especially in terms of quantity. According to GUS statistics, about 50 percent of all imports go to the private sector, that is, companies, foreign enterprises, foundations, and physical persons.

Grain Reserves Cause Farmers Financial Woe

91EP0690D Warsaw GAZETA WYBORCZA in Polish
28 Aug 91 p 5

[Article by (saj): "To Be a Farmer?"]

[Text] There are problems with grain procurements, and there will be problems with the procurements of potatoes, sugar beets, fruits, and vegetables. Prices shall remain low and unsatisfactory to farmers. The cattle population is the smallest ever since the war, and by yearend there may be shortages of domestic butter.

Studies conducted by the Central Planning Office indicate that the seasonal procurements of farm products are being impeded by their extensive stockpiles (e.g., early in August the stockpiles of rye reached about one million metric tons, or enough to meet nearly four months of demand); the slow increase in food prices, compared with the increase in the prices of manufactured goods; the difficult financial situation of the enterprises engaging in the procurements and processing of farm products; and the difficulties in obtaining loans.

The Agricultural Market Agency intends to intervene in the market by purchasing about 1.4 million metric tons of rye and wheat, that is, nearly 30 percent of their anticipated output. But for the time being the agency has only enough funds for purchasing about 300,000 tons of grain at 45,000 zlotys per quintal of rye and 82,000 zlotys per quintal of wheat.

There will be no procurements of rye in the Leszno, Zielona Gora, and Elblag Voivodships, and no procurements of rye and wheat in the Skierniewice, Bydgoszcz, Torun, and Wloclawek Voivodships.

The procurement prices offered to farmers are steadily declining and, for rye, range from 32,000 zlotys per

quintal in Zamosc Voivodship to 61,000 zlotys in Krosno Voivodship, and for wheat, from 44,000 zlotys in Zamosc Voivodship to 96,000 zlotys in Rzeszow Voivodship.

By the end of July the procurements of rape reached nearly 260,000 metric tons at prices which varied, depending on its moisture content and impurities, from 67,200 zlotys per quintal in Sieradz Voivodship to 155,000 in Wroclaw Voivodship.

The Central Planning Office anticipates that farmers will also find it difficult to sell potatoes, sugar beets, and fruits and vegetables.

In the opinion of the Central Planning Office, the supply will continue to be greater than the demand, and hence the profitability of farm production will diminish.

During the year past the cattle population has declined and, according to the Central Planning Office, reached its lowest level ever in the postwar period. On socialized farms the cattle population declined by as much as 15.8 percent compared with last year.

The consumption of meat and its processed products as well as of dairy products is declining. In many voivodships their prices are being slashed, and periodic halts in procurements take place.

During the first half of the year meat procurements were 19 percent lower than in a like period last year, but free-market sales of meat increased by 33 percent. The export of meat and meat products were 65 percent lower than in a like period last year, while their imports increased by a factor of seven.

Milk procurements decreased by 20 percent.

The Central Planning Office anticipates that the cattle population will diminish markedly during the second half of the year, chiefly on farms with large cattle herds.

The decline in butter output due to low prices may, in the opinion of the Central Planning Office, result in a shortage of domestically produced butter by yearend.

Overuse of Coal Mines May Lead to Closings

*91EP0690C Warsaw ZYCIE WARSZAWY in Polish
28 Aug 91 p 4*

[Article by Janusz Skrzeczynski: "Weak Mines To Be Shut Down" under the rubric "No More Coal Subsidies as of 1993"]

[Text] Since the beginning of this year only three of the 67 coal mines have been selling their coal at prices higher than its extraction cost. According to the assurances of the government, the mining industry is to be extensively restructured and, in the event of depletion of deposits or difficulties in accessing them, some mines will be shut down.

The task forces formed to decide on whether to shut down the Saturn, Sosnowiec, Pstrowski, and Gliwice Mines have found, on employing various criteria for economic analysis, that the last two mines have the potential for improving their performance, and fairly rapidly at that. The Gliwice Mine, which extracts the best-quality coking coal in Poland, even though it does so in extremely difficult geological conditions, expects to begin standing on its own feet financially within as little as two years and to maintain output at 4,000 metric tons daily from reserves estimated at 20 million tons. But first it is necessary to close two extraction levels, 185 and 305, and shut down the so-called Ostropa Region. These measures are to cost about 40 billion zlotys. As for the Pstrowski Mine, actually a conglomerate of three different mines that had been merged into a single organism 20 years ago, it is to be transformed into a single establishment under the name of Rokitnica, with exploitable deposits of more than 60 million metric tons.

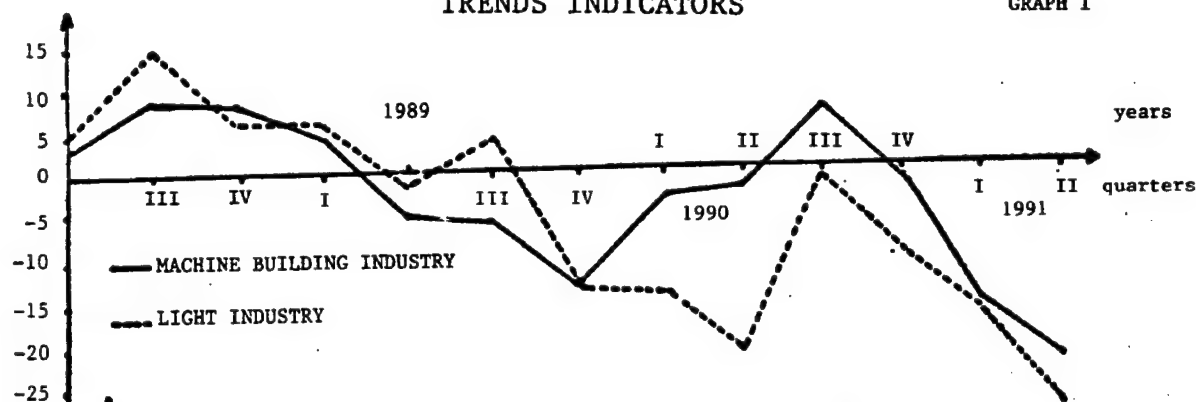
"At both mines a cut in employment is not being considered," declared Engineer Erwin Koziol, deputy director general of the State Anthracite Coal Agency in Katowice, who headed the task forces appointed by the minister of industry. "That is because these mines had already previously pursued a rational employment policy and, thanks to this, nobody at present faces the threat of discharge. In assessing the future of these mines we took under advisement not only economic but also social considerations. In the case of the Saturn and Sosnowiec Mines, which shall be shut down, we expect group discharges from employment to occur only during the 6th or 7th year from the beginning of the shutdown process.

"The Saturn and Sosnowiec Mines both are some 150 years old. Only the protective pillars remain to be extracted. According to experts, it would be pointless to invest in keeping them in operation. The closing of Saturn Mine will cost an estimated 1,400,000,000 zlotys and that of Sosnowiec Mine 729,000,000 zlotys. Why so much? Above all, it will cost a great deal of money to protect rock masses against erosion and to fill up the shafts so that they would not, in the event of tectonic movements, imperil the neighboring active mines or housing projects. Will it be worthwhile to remove machinery and structural steel elements from the headings? The experts say that it will not. In some cases such removal would cost two or three times as much as the value of the equipment recovered. Even now another doubt has to be resolved: What to do with the health service facilities heretofore built and operated by the mines? This concerns, e.g., the miners' hospital, whose owner, Sosnowiec Mine, includes in the price of its coal the cost of subsidizing this modern medical facility, which serves not only the miners."

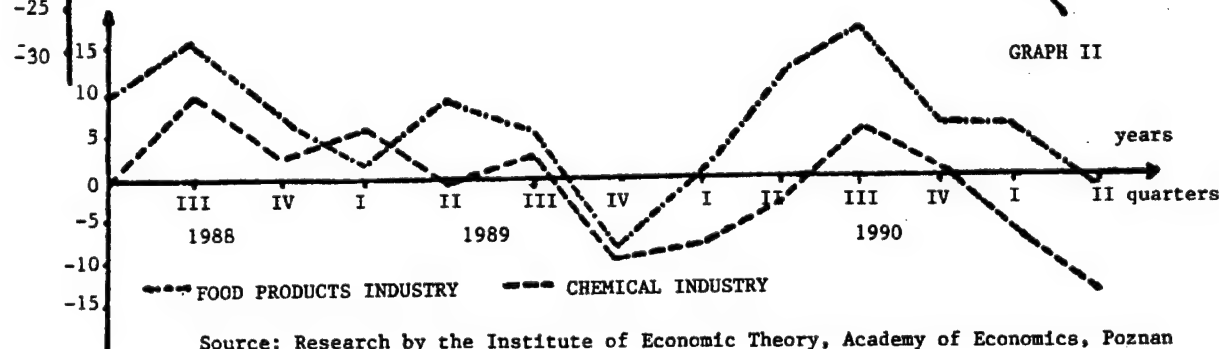
Should the minister of industry decide to close these two mines, that would not be the first time, considering that three others, Walbrzych, Wiktoria, and Thorez, all in the Walbrzych Basin, have already been shut down, and the need to close 23 more is to be thoroughly investigated by

TRENDS INDICATORS

GRAPH I



GRAPH II



Source: Research by the Institute of Economic Theory, Academy of Economics, Poznan

experts in the next few weeks, with the remaining mines to be evaluated by yearend. According to the ministry's estimates, by 1993 not a single zloty shall be earmarked in the state budget for subsidies for the mining industry. The future price per metric ton of coal remains just as unknown as the fate of the Polish extracting industry.

Overview of Activity of Major Industries Noted

91EP0690B Warsaw *RZECZPOSPOLITA (ECONOMY AND LAW supplement)* in Polish 21 Aug 91 p III

[Article by Wieslawa Przybylska-Kapuscinska: "A Non-uniform Recession: The Economy as Viewed by the Enterprises"]

[Text] An assessment of economic performance during the second quarter of 1991, based on a poll conducted by the Institute of Economic Theories at the Economics Academy in Poznan, points to a worsening of the negative mood signaled since the beginning of the year among the enterprises belonging to the four subsectors investigated: the electrical machinery, chemical, light, and food industries.

Earlier institutional changes and the attendant adaptation problems have caused the awareness of increasingly difficult economic conditions to become increasingly common and evident. The last year and a half has clearly demonstrated that adopting a waiting attitude or

expecting an economic "miracle" cannot resolve the problems of enterprises due to the hard laws of the marketplace.

Hence the real truth about the condition of the economy and the depth of the recession in the subsectors investigated ensues from the extent of the changes in the mentality of the managerial cadres, the openness to the previously—in the former centralized system—unconventional methods and solutions of economic problems, the speed of the response to the changing conditions of the so-called economic environment, the ability to calculate risks and estimate the consequences of the actions taken, and an active marketing policy.

Despite the fact that the recession affects all the subsectors of the processing industry in Poland, and on allowing for the modifying influence of structural and fortuitous factors on the recession's course, its effect on discrete domains should be clearly differentiated. This is demonstrated by the variations in the overall indicators of economic climate and the assessments of the anticipated economic performance of the industries in question during the third quarter of 1991.

The Electrical Machinery Industry

The deteriorating situation in the electrical machinery industry has also been reflected in the evolution of the indicator of economic climate, which has reached a

highly negative value (-22.9), four points worse than the analogous indicator for the processing industry as a whole.

In the general assessments of the economic situation for the third quarter of 1991 the proportion of negative opinions has markedly increased (on the average about 14 percent) compared with the forecast for the second quarter, and hence as many as one-half of the enterprises polled are pessimistic about their future in the third quarter.

The supply situation seems secure, because the forecast in that respect is close to the favorable assessment for the first quarter of 1991 and even exceeds it (by 19 percent). The previously signaled overemployment has been further confirmed in the assessments for the second quarter of 1991 because by then as many as 56 percent of the enterprises have become aware of hidden unemployment: This is 11 percent more than in the first quarter of 1991.

The forecast of the financial condition for the third quarter of 1991 is ambiguous. The proportion of enterprises expecting less access to funding has increased, but the proportion of the entities of that industry expecting an improved financial situation has also increased. As for the balance of financial statements compared with the forecast for the second quarter, the forecast for the third is somewhat less pessimistic. The assessment of marketing possibilities in the third quarter of 1991 seems credible, because of the disappearance of the complacency previously displayed by this industry in the form of exaggerated sales estimates and unjustified expectations of growth in demand. The proportion of enterprises expecting an increase in output has declined by 10 points (up to 10 percent of respondents), while the proportion of enterprises expecting a decline of output has increased to 41 percent (from 27.3 percent in the second quarter of this year). A continuing decline in demand is expected by 43 percent of the entities of the electrical machinery industry. The demand barrier appears to be a repetition of the situation in the first quarter of 1990.

In such a situation, so complicated to enterprises of the electrical machinery industry, it is natural for them to explore ways of alleviating the attendant tensions. However, the solutions they have been exploring lie not so much in investment—advantageous as it may be in the long run but difficult as it is to implement in the present conditions; the proportion of the enterprises engaging in investment activity has declined by seven points to 14 percent of the respondents. The remaining enterprises preferred to take other steps in order to alleviate their current economic problems, chiefly through marketing measures (61 percent of the respondents) and the introduction of new products.

Light Industry

The situation of this industry is relatively the worst, as reflected in its highly negative indicator of economic

climate (-39.8), which is higher by 10 points than its level for the Polish processing industry as a whole. The expectations as to the situation of this industry in the third quarter of 1991 are even more pessimistic than was the forecast for the second quarter of this year, because every second enterprise views its prospects as bad.

A good supply situation is expected by 86 percent of light industry, but every second enterprise is expecting overemployment (compared with only 35 percent of the industry's enterprises expecting it for the second quarter). A worsening of the financial situation is expected by 73 percent of the enterprises polled, which also represents an unfavorable change compared with the forecasts for the second quarter. Compared with the processing industry as a whole, light industry is the worse off financially. But compared with the expectations of light-industry enterprises for the second quarter, their expectations for the third quarter are more realistic and hence less prone to underestimate their financial problems. But this cannot be said about their demand forecasts, which continue to be erroneous, despite their reports of a decline in demand analogous to the situation in the first quarter of 1990.

Thirty-three percent of the respondents gave negative forecasts of output for the third quarter of this year; that is a nine-point increase in the proportion of such respondents, compared with those polled about the second quarter.

In view of the expected financial problems and low output levels as well as the threat of competitive private imports and the continuing decline in demand, it is puzzling that only every third enterprise expects a decline in orders. In light industry, in which the recession is the most acute, such "pseudo-optimism" about demand lacks a rational justification, even given the new duty rates imposed on imported textiles, garments, and footwear.

Only 13 percent of light-industry enterprises engaged in investment activities during the second quarter in order to improve their economic situation, compared with 40 percent on the average in other industries. Noninvestment activities intended to salvage their economic situation were declared by 69 percent of the respondents in the second quarter, which points to a change in the attitude of the managerial cadres. Previously such activities were of marginal significance. Light industry has taken every possible noninvestment step in order to alleviate its problems, chiefly through marketing activities, but it has done so somewhat late.

The Chemical Industry

The problems of this industry are not as bad as those of the other industries. Still its indicator of economic climate also is negative (-14.8), and the forecast for its general economic situation in the third quarter is less favorable than for the second, because every third enterprise polled expects it to deteriorate.

The supply prospects of this industry are expected to be good, as in the second quarter, when 90 percent of the respondents had expected them to be so. The proportion of enterprises signaling overemployment has increased to 43 percent of the respondents (a nine-point increase). Fifty-eight percent of the respondents declared themselves to be apprehensive about their financial condition in the third quarter—that is 17 points higher than in the second quarter. Considering the low demand level and the competitive private imports as well as the overestimation of output for the second quarter, the output forecasts for the third quarter are this time fairly cautious.

Every third chemical-industry enterprise expects a decline in output. At the same time, the proportion of the enterprises expecting an increase in output during the third quarter has declined (to 18.4 from 23.5 percent). Given that the respondents' expectations of demand for the second quarter turned out to be quite erroneous, the relative lack of realism shown by their expectations of new orders for the third quarter is puzzling. Only every fifth enterprise declared itself to be expecting a decline in orders, and as many as 69 percent of the enterprises declared that they did not think there would be a change in the level of orders. This faith of chemical-industry enterprises in their marketing potential is puzzling given the decline, both rapid and general, in the demand, which has been accelerated by the price increases last June.

Chemical-industry enterprises have been actively pursuing investment in order to resolve their economic problems (33.8 percent of the enterprises), chiefly through modernization, and they have been more active (as many as 85.4 percent of the respondents) than any other subsector of the processing industry in taking noninvestment steps to improve their situation.

The Food Industry

In view of the relatively most favorable situation of the food industry during the year past, the enterprises of that industry have been affected by the recession to a smaller extent than those of the industries discussed above. Their indicator of economic climate, though negative (-1.6 percent), is better than the average for the processing industry as a whole. To be sure, the forecasts of their general economic situation are more pessimistic for the third quarter than for the second, considering that every third food-industry enterprise expects it to deteriorate, but compared with other industries the pessimism is half as acute. Similarly, overemployment in the food industry is only half as high as in the other industries discussed here, being reported only by every fifth food-industry enterprise.

Further rationalization of employment is expected by 10 percent of the respondents. For more than a year now the financial problems of the enterprises polled have been steadily diminishing, and hence, generally speaking, lack of funds is not as severe an impediment to the food

industry as it is to the other industries. A deterioration of the financial situation is expected by 40 percent of food-industry enterprises (compared with, on the average, 60-70 percent of enterprises in other industries).

The output forecasts for the third quarter are somewhat more pessimistic than for the second. A decline in output is expected by 9.8 percent of the enterprises (compared with 3 percent in the second quarter), and 25 percent expect an increase in output (compared with 33 percent in the second quarter). Noteworthy is the accuracy of the forecasts of food-industry output. As regards the level of orders the proportion of enterprises expecting an increase in orders is the same as the proportion of those expecting a decrease (17 percent of the respondents). The frequency of reports on the problems caused by competitive private imports is rising. The lack of orientation about figures on private imports complicates the estimation of marketing possibilities by enterprises.

Despite the relatively more favorable conditions of management in the food industry (lower constraints of demand and of funding), it is not desisting from investing and noninvesting activities with the object of improving its marketing situation, and the proportion of new investments and modernization investments (7.5 and 34 percent, respectively) reported by that industry is higher than in the other industries.

As in the previous quarter of the year, the forecasts of the food industry for the third quarter are less pessimistic than those of the other industries. The economic performance of food-industry enterprises so far, despite the recession, points to their consistent policy of adapting themselves to the hard rules of the marketplace.

Development, Prospects of Footwear Industry

91EP0690A Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 21 Aug 91 p II

[Article by A.K.K.: "Who Shall Buy Polish Shoes?" under the rubric "Sector Privatization"]

[Text] The Ministry of Ownership Transformations presented at a press conference on 20 August the next subsector stage, that of the footwear industry. The presented assessments, made by the Polish foreign consulting firm Company Assistance, Ltd., differ fundamentally from the popular views of that industry.

The state-owned part of footwear industry consists of 35 factories with a combined productive capacity of 120 million pairs of footwear annually. In 1983 they produced 100 million pairs of men's, women's, and children's footwear, earmarked for the most part for the domestic market. This accounted for 1 percent of the world output.

Of these enterprises five are huge (three years ago they had manufactured four million pairs of footwear each annually), which we had previously prided ourselves upon but now is rather going to cause problems. That is

because in the footwear industry the companies that count are generally small or at most medium-sized ones, since these can respond more flexibly to the needs of the market, changing as they do with the fashion and the season. In this industry the alignment of forces is rather atypical, because the known giants engage in the shoe trade rather than in shoe manufacturing, on ordering shoes from their suppliers. The suppliers originate chiefly from Taiwan, South Korea, Brazil, and also Italy. In addition, the footwear industry is expanding in China, Mexico, Spain, Portugal, Malaysia, and Thailand. In contrast, in the big countries, such as the United States, Germany, or Great Britain, the footwear industry is relatively modest in scope.

That is because footwear manufacturing requires highly skilled but at the same time low-cost manpower. To be sure, in Italy manpower is not cheap, but that country has won a high standing in manufacturing high-quality and hence more expensive footwear.

What then are the chances of Polish footwear producers given such competition? Experts believe that they are high, although not uniform. But, given the satisfaction of certain prerequisites, Poland can become a significant footwear maker in the world.

This is because of our relatively low-paid but skilled labor force. We also have our own raw materials of good quality. In Poland there are good footwear factories adapted to handling the entire footwear manufacturing cycle, although some are somewhat obsolete. Lastly, our geographical location and proximity to markets are in our favor, so that the transportation of finished products from Poland should be much cheaper than, say, from distant Asia.

On the other hand, the growth of the Polish footwear industry is chiefly imperiled by our considerable foreign

indebtedness, which averages 20 billion zlotys per enterprise (although the situation at individual enterprises varies greatly); another disadvantage is the aforementioned excessively large size of many footwear factories.

In the opinion of representatives of the Ministry of Ownership Transformations these minuses can be offset only through investment by private capital, both domestic and foreign, to be accompanied by new technologies and a streamlining of the organization of labor.

In developing a privatization strategy, experts have classified the factories according to size of employment. They estimated that small factories employing not more than 1,000 persons each (there are 10 such factories) have a more than 75-percent chance of survival. For these the optimal form of privatization is in being bought out by the management and employees, eventually with the participation of outside investors if they fail to obtain the needed capital. Since some of these factories are deep in debt, the ministry intends to seek investors among banks, and it would be good if the creditor banks would agree to swap the monies owed them for shares in these companies in the capacity of private investors. Such factories are most often of interest to foreign capital, but the ministry is trying to direct foreign investors to the other [larger] factories.

There exist 20 medium-sized footwear factories (employing from 1,000 to 2,500 persons each), but their chances for survival are estimated at 25 to 75 percent. Their most frequent problems are the need to restructure as well as to obtain broader access to foreign markets. If investors, this time major ones, can be found, many of these enterprises can prove to be good investments. In view of the scale of the funds needed, the ministry wants to attract the interest of the European or Polish Development Bank and the Industrial Development Agency.

Former SRI Official on Berevoiesti Case

91BA1100A Bucharest *CURIERUL NATIONAL*
in Romanian 29, 30 Aug 91

[Interview in two installments with retired Major General Mihai Stan, former first deputy director of the Romanian Intelligence Service, by Ralu Filip; place and date not given: "Berevoiesti? A Provocation!"]

[29 Aug pp 1-2]

[Text] [Filip] What was the background for your appointment as first deputy director of the SRI [Romanian Intelligence Service]?

[Stan] In the first few days after the events of December 1989 I was asked to participate in shaping the new structures of the intelligence service. I think that choice was due to the fact that I had some experience in that area and, on the other hand, to the fact that I had known the present SRI director for more than 20 years. I want to add, as another probable factor, the fact that in the recent years, although I did not belong to the leading echelons of the Securitate, I was removed and had later been working in the press....

[Filip] Why were you removed?

[Stan] That step has to be considered in the broader framework of the mentality that was prevailing in the Securitate at the time, namely that whenever there existed the vaguest suspicion that a person's loyalty did not go to the absurd, the person in question was immediately removed.

[Filip] What plans did you have after you came into the position, what did you want to achieve?

[Stan] First of all, new structures fully adapted to the state of law that was in the process of being built in Romania. The current SRI structures, formed in March 1990, could only serve provisorily, considering when they were set up and the fact that the new social requirements demanded the existence of a flexible and dynamic intelligence apparatus capable of adjusting to the specific needs of a democratic society. In this respect, on the one hand I took the necessary steps to learn the traditions that had existed before communism—I'm referring to the intelligence service established and led by Eugen Cristescu—and on the other, to study the experience and methods of organization and operation in democratic countries. Secondly, I endeavored to establish a new working methodology to ensure respect of the basic human rights and freedoms and at the same time to meet the requirements raised by the necessity to defend the state of law....

[Filip] More specifically....

[Stan] The methods used in intelligence work are the same everywhere. The essential is how they are implemented and especially, the purpose for which the intelligence is used and the form of control. Without regulating a definite framework, the danger remains that the intelligence work may be used for illegal purposes, such as serving party or personal interests instead of uncovering and destroying the real enemies of the state. That is the reason that the SRI was placed under Parliament control by both the CPUN [Provisional National Unity Council] decree and the National Security Law. Third, another objective was to examine, select, refresh, and train the cadres so that they could fulfill their obligations in the new social and political conditions. Last but not least, there was the drafting of legal norms permitting the operation of the SRI.

[Filip] The press recently made all sorts of statements about the Berevoiesti case. What can you tell us?

[Stan] I would like to express my view about this case only after the legal bodies and the Parliamentary commission have come to a decision....

[Filip] We've become a joke with all these parliamentary commissions. Moreover, it seems that these commissions are not uncovering much....

[Stan] I don't know at what point the investigation is now, but the conclusions that will be reached can't be much different from those of the SRI investigation commission. What I think is unnatural is the fact that—as it occurred in a SRI response published in TARA—a forced and completely unfounded linkage was made between my name and the Berevoiesti case!

[30 Aug pp 1-2]

[Text] [Filip] I understand that you did not order the documents to be buried....

[Stan] Yes! What's more, I ordered an investigation to find out the causes, conditions, and who was responsible....

[Filip] Does that mean that someone was interested in having you out of the way?

[Stan] No comment.... [preceding comment in English]

[Filip] Nevertheless, the Berevoiesti case...

[Stan] All I can tell you at this time is that in my opinion the Berevoiesti case is a provocation of the same ilk as the much advertized "Patriot" organization.

[Filip] What are you trying to say?

[Stan] The "revelation," or whatever you want to call it, of the existence of a "Patriot" organization made up of former Securists, SRI cadres, and honest people, and organized in task committees, one of them in Paris, was probably an attempt to conceal the real source of certain documents which belonged to the Securitate and are now in the possession of private persons. Because of that fact

we can soon expect fresh sensational revelations to appear in certain newspapers; the outcome of that will be that valuable cadres, who served the homeland, will come under accusations, or it will serve to demonstrate that the current authorities are using the former Securitate structures in their own interests. Just as the Ber-evoiesti case blew up at the time when the Parliament was discussing the national security bill, for the purpose of preventing its passing, it is possible that on the eve of the local elections, before the Constitution is passed, or during next year's electoral campaign, we will hear new revelations designed to muddy the political waters....

[Filip] I don't understand you. If such documents do exist, I think they should be published. People who have been discredited or were guilty should not be around political power, that's a universal rule. Are you against the publication of such documents, or do you challenge their authenticity?

[Stan] In view of the aspects that came out of the Berevoiesti case, I think that such documents, which are likely to create a certain picture, are counterfeited. On what do I base my assertion? Perhaps on the fact that we cannot ignore the involvement of certain espionage services in the organization and operation of such actions....

[Filip] Please be more explicit....

[Stan] Since the "Patriot" organization stated that one of its committees is active in Paris, the conclusion is self-evident. Either the French counterespionage is not aware of its existence, or if it is...

[Filip] What solution would you recommend?

[Stan] What surprises me is that although the press frequently talks about the "Patriot" and "Real Patriot" organizations, the legal bodies—the prosecutor's office, the government, or Parliament—never acknowledged anything and as far as I know, they took none of the legal steps required to clarify a situation that flagrantly violates not only the national security law, but also the state of law we hope Romania will become.

[Filip] What do you think, is there any danger of a restauration?

[Stan] My opinion is that, regardless of the turn that the situation may have taken after the attempted coup in the USSR—itself rather doubtful—the events would not have had the impact that some people may have wished, in the sense of restoring communism in Romania. Which is, however, not to say that a potential danger, caused by a nostalgia for totalitarianism regardless of its political color, may not exist. Moreover, it may also be fanned by the so-called intransigent positions, which have nothing to do with democracy and which may trigger totalitarian reactions from those who would like to outlaw others in the name of democracy.

[Filip] You were retired at the age of 49. Was that a good thing?

[Stan] I am not in a position to judge that, but I can tell you that I feel saddened by the methods that were used...at the time I was on medical leave after being hospitalized.... Because of the unjustified haste, I am not able to enjoy certain rights due to me after 31 years of military career. Fate....

Causes of National Isolation Explored

91BA1065B Bucharest ROMANIA LITERARA
in Romanian 22 Aug 91 p 3

[Article by Alexandru Stefanescu: "Romania's Image"]

[Text] A reportage recently published about Romania in PARIS MATCH under the title "Ceausescu Not Dead!" caused a stir in Bucharest. In the pages of ADEVARUL, V. Nitelea (the same V. Nitelea who wrote sympathetically about the Romania Mare Party), of course took a stance by accusing the French journalist, Michel Tauriac, of superficial knowledge and tendentious interpretation of the facts. In reality, the oversights signaled by the ADEVARUL collaborator were minor. The French reporter's general impression that not much has changed in Romania after Ceausescu's removal remains valid. In the 20 months since the execution of the dictatorial couple, private property has not yet been decisively instituted either in industry or in agriculture; communism was not put on even a symbolic trial; members of the old party and state apparatus that led Romania to disaster were not barred from leadership posts; specific Securitate practices were not given up; the Television, which due to a combination of circumstances is decisively instrumental in shaping public opinion in our country, has not been decentralized. In fact, the fact alone that the former and present Comrade V. Nitelea continues to write in the former (and to a certain extent, present) SCINTEIA laudatory articles about the activities of Corneliu Vadim Tudor, the court poet of Nicolae and Elena Ceausescu, serves as proof that many of the former automatic public reflexes have been preserved.

With insignificant differences among the various countries, the world is rather disappointed with the political developments in Romania. After the events of December 1989, which for a few weeks turned Romania into a kind of international hero admired and loved to tears, our revolutionary spirit went into an abrupt regression, and this regression did not pass unnoticed by the international public. One reason for disillusion and even stupefaction was to many foreign observers the indecent majority with which the FSN [National Salvation Front] won the elections. After Ceausescu's opponents withdrew—or were prompted to withdraw—from the FSN, and after it was clearly seen that the FSN had among its leadership former PCR [Romanian Communist Party] leaders, former professors of the Stefan Gheorghiu Academy, and former Securists, it seemed difficult to understand, if not downright suspect, the people's sympathy for this political party. Then, the brutal reprisal of the University Square demonstration, accompanied by the ransacking of the offices of the opposition parties

and of independent newspapers, dispelled any uncertainty about the attitude of the authorities. The misfortune of our rulers was that the punishments meted out to the opponents of communism—which went as far as physical annihilation—assumed particularly expressive forms, difficult to forget. Miners, and Securists disguised as miners, dressed in black, with blackened hands and faces and armed with chains, axes, and gnarled clubs, produced a suggestion of primitivism that could not pass unnoticed. Their manhandling of graceful, vulnerable youths, to the raucous satisfaction of housewives seemingly in the throes of hysteria, left an indelible mark on the world's visual memory thanks to foreign television broadcasts and video tapes. Only in Luis Bunuel's movies could one see scenes of such great visual impact.

The authorities' representatives and the journalists who play in their hands are in the habit of saying that the deterioration of Romania's image abroad was caused by, on the one hand, negativistic and unpatriotic Romanian intellectuals who keep denigrating their country, and on the other hand, by the formation of a system of alliances in East Europe from which Romania is excluded. Neither of these explanations stands up to a dispassionate examination. The Romanian intellectuals who express harsh views about the situation in Romania are not referring to the country in general, but to the current political system. Labeling them as unpatriotic is a method of Ceausescu-like inspiration. In reality, the intellectuals who have the courage of their opinions are saving what can still be saved of their homeland's reputation. We recall that during Ceausescu's time, the foreigners' respect for the Romanian people increased when people like Doina Cornea, Dan Desliu, Mircea Dinescu, or Dan Petrescu openly confronted the dictator. The same thing is happening now when Alexandru Paleologu publicly distances himself from neocommunism, or when Adrian Marino resolutely denounces the persistence of totalitarian structures. Romania commands respect precisely thanks to such opinion leaders who are permeated by a feeling of responsibility toward the fate of the Romanian society. Neither does the assumption that we are being trivialized in Europe because of locally formed pacts—for example, between Czechoslovakia, Poland, and Hungary—serve to explain our current disadvantageous position, or anyway, it does not completely explain it. If we had an authentic democracy and a healthy economy, if we managed to make ourselves needed, we would be invited to join all kinds of alliances, instead of having to wait with trepidation for a sign of goodwill from countries with less of a recovery potential than we have.

Frankly speaking, Romania's image depends more on what we do than on what we say. Each Romanian product we export or try to export speaks about us more eloquently than 100 newspaper articles. A Pegas bicycle that breaks down somewhere in the Tatra Mountains may attract the kind of sarcastic remarks about the Romanian industry that a Czech child will not forget the rest of his life. In popular Bulgarian parlance there is a

saying, "vlahi rabot," meaning "slapdash, bad work," or literally translated, "Romanian work." What can we do to take such an expression out of circulation? Can it be enough to accuse Doina Cornea of denigrating the Romanian achievements? And then there are the impressions that foreigners get when they visit us. They have to wait at the customs for hours on end, in the cities they are assaulted by beggars and thieves, in the hotels they often find a sordid atmosphere, and in the stores they find almost nothing. How are we to persuade these foreigners that people live well in our country and that we are optimistic?

Of course, culture can do the country's reputation in the world a good service, but not through private initiatives—desperate forms of showing patriotism—but through the activities of sound institutions equipped with money and modern technology. In charge of the actual cultural creation must undoubtedly be the artists themselves, on their own account and without any interference from the state, but how their work is managed is of interest to the entire society and should not be allowed to go badly because of lack of funds. In less than two years we have acquired a shameful tradition, namely that of begging various kinds of "aid" from the country's leadership for culture, from a humble position, while the budget earmarked for this domain is scandalously small. Consequently, a dangerous relationship of subordination has been created between the representatives of cultural institutions and the politicians in power. Recently, subsidies were offered for cultural publications on the brink of bankruptcy, but only for those that...don't engage in politics. Not even speaking of the fact that almost anything may qualify as "engaging in politics"—so that we may need to appeal to the competent services of Mihai Dulea or Tamara Dobrin to tell us whether a given poem has political overtones or not—the very idea of using a financial tool to steer rather than support culture constitutes an incipient state interference in the intimate mechanism of the act of creation. Romania's image in the world can gain not from the circulation of festive works, but from sending valuable works abroad. Some of our Parliament members vehemently protested both upon learning about the contents of the film about the University Square and when they learned that precisely that film was going to represent our country at an international film festival. This typically communist reaction, which demonstrated a compromising political dilettantism, shows that the prejudice that a film must present the situation in Romania in a favorable light has still not disappeared. In reality, the only important thing is that the film in question should stand out for its value—its power of expression, its dignified attitude, and the clearheadedness shown in the understanding of life, etc.—because if it stands out thanks to its worth, then it will implicitly serve as cultural propaganda for Romania. Dostoevsky writing about the abyss of the Slavic soul, or Solzhenitsin revealing the nightmare of the Soviet political jails, did not contribute to spoiling the West's image of the Russian people. On the contrary,

their artistic talent and their moral strength commanded respect and made the Russian people be treated with greater seriousness.

The times when it was thought that foreigners may be won over by cheap tricks—like welcoming them with bread and salt—are over. In fact, the very idea of “winning” them implies a note of improvisation and lack of soundness. In vain would the opponents of the FSN government begin to say that everything was well in Romania, in vain would we send movies to international film festivals showing miners planting flowers in front of the National Theater, and in vain would we bring out only magazines of “pure” literature, as long as the social and political reality belies such a rosy image. Our situation may be even more dramatic than was described by the PARIS MATCH reporter. Authoritarian methods of leadership are paradoxically and alarmingly blending with a social disarray in continuous increase, while the inefficiency of the socialist economy is not at all neutralized by the private sector which, on the contrary, risks discrediting the very idea of a market economy in the eyes of much of the public because of its cartoon-like operation in quasi-clandestine conditions. If we want foreigners to begin to believe that life in Romania is good, there is only one solution: Make life good in Romania.

Action Against Anti-Semitic Publications Urged

91BA1065A Bucharest ROMANIA LITERARA
in Romanian 22 Aug 91 p 2

[Article by N.M.: “The ROMANIA MARE Case”]

[Text] Last week's issue of ROMANIA MARE carried an insolent communique announcing that the magazine was suspending publication for one month. We find few precedents for this kind of haughty and at the same time humiliating gesture in the history of the Romanian press. But its main trait is something else, namely, its lack of transparency, because it serves to hide rather than to clear up its motives. The government and Romania's president are accused together of having been at the origin of ROMANIA MARE's self-imposed suspension. The author of the item, C.V. Tudor, also appeared on television last week, not with a surfeit of explanations, but basically repeating what he had written in the magazine. Dispirited but still vehement, he failed to assuage our curiosity. Stripped of the slag of invectives and recriminations, Tudor's idea was in both cases the following: We gave in to the pressures of the authorities. The insolence comes from turning a surrender into a national political issue: Let's see whether once we are off the stage, Mr. Tudor essentially said, the authorities will manage to resolve its enormous difficulties. As if that had been the issue! Two questions arise: Why did Mr. Tudor need to give the regime “a real satisfaction,” as he wrote, and what in fact were the pressures to which he was subjected. As is known, for some time the anti-Semitism and chauvinism of ROMANIA MARE (and of other publications) had been shocking the Romanian

and international public. As we recalled in a previous article, the U.S. House of Representatives passed a resolution along this line. Over one hundred Romanian cultural figures signed a protest. ROMANIA MARE's response to all that was merely scoffing. The magazine's management seemed to become worried only when, in an interview for ADEVARUL, Mr. Petre Roman suggested that anti-Semitic publications may be banned and specifically mentioned ROMANIA MARE. Was the prime minister's brief intervention enough to scare Mr. Tudor into a gesture of which, I have to admit, I would not have thought him capable after his many weekly proffered proofs of paranoic irresponsibility? It is true that the president also entered the fray; in a brief response to a question by EXPRES MAGAZIN, he spoke more firmly than he usually does: “Obviously I repudiate all anti-Semitic positions. The existence of this current, promoted by several publications, is greatly harming the country. Their work is nothing but an antinational. I was horrified by the ROMANIA MARE article (Only by one?—N.M.). All that was missing was the call to go butcher the Jews.” Nevertheless, the questions persist. Mr. Iliescu's interview actually appeared after Mr. Tudor's communique, in one issue (32) of EXPRES MAGAZIN which came out simultaneously with that week's issue (13-20 August) of ROMANIA MARE. About the same time, a representative of the Justice Ministry also mentioned, in a televised program, the possibility of banning the anti-Semitic magazines. But Mr. Tudor could not have known about that from public sources, either, while he was writing his communique. All this leads to several deductions. First, we note a certain mobilization of the authorities toward blocking the wave of chauvinism in the extremist press. Then, it is fairly clear that Mr. Tudor's sudden gesture did not come in reaction to the public positions taken by the authorities, but to signals that the chief editor of ROMANIA MARE received through mysterious, so to speak, channels, whose contents we can only suspect since it was not openly expressed, but which turned out capable of bringing a decisive pressure to bear.

If we examine the context of the whole affair we notice certain significant connections. Our rulers' desire to change Romania's image in the world has been increasingly striking lately. They seem to have accepted some of the U.S. conditions for granting the [most favored nation] status. Underground SRI [Romanian Intelligence Service] ripples became perceptible on the surface of the political life. An announcement by the organization in question about the purge of cadres who were not able to adapt to its new objectives elicited a response from high-ranking intelligence officers in EUROPA (what a coincidence, also of last week!), who not too subtly accused Mr. Magureanu of intending to destroy the country's defense capability against international espionage. And finally, the first page of the EXPRES MAGAZIN that carried Mr. Iliescu's interview, published a note in which Mr. Victor Codreanu insidiously asked Mr. Magureanu whether it was true that he had taken the suggestion of Washington officials to retire

intelligence and counterintelligence officers from the former units No. 0544, 0195, 0625, and 0625 CP, who worked on American territory, and in which he compared CIA interference in our internal affairs to that of the KGB's in Lebanon in 1964. By putting together all these various bits of information we come up with an interesting subject for reflection. The offensive against the anti-Semitic magazines and the measures taken in the area of national security seem to indicate far greater flexibility on the part of our rulers than was the case previously, in that they seem determined to stop any actions harmful to our reputation in the world, for the easily perceived purpose of regaining some of the goodwill of the West and of the United States in particular, so necessary for effective economic and political support, and without which the reform would come to an impasse. And as the elections are around the corner, the reasons for this change of attitude appear quite clear.

Going back to the reasons and circumstances of Mr. Tudor's gesture, I have to mention that I cannot do more than guess. I don't know how Mr. Tudor was apprised that he had to suspend his magazine himself, nor what arguments were used to convince him. He himself referred to "rash statements" made by Mr. Roman "in the intimate circle of those who elected him a national leader." What could that mean? Was it perhaps hinted to him that unless he was committing hara-kiri, the Prosecutor's Office was going to follow up on its warnings? Or that the many suits against him that have been languishing at the bottom of drawers for many months were about to be put on the docket, and that he was thus running the risk of a penal sentence? "We don't like threats," Mr. Tudor added. Whatever the case, the real issue is somewhere else. The whole affair seems deplorable to me for several reasons. One is that willy-nilly the impression of a deal has been created between the ROMANIA MARE group and the authorities. This impression is due to the fact that, by anticipating the authorities, Mr. Tudor has for the time being been spared any legal action. Moreover, he dared to be halfway on the offensive in a situation in which he should have been totally on the defensive. Thus, our old view that ROMANIA MARE enjoys "sympathies" and unjustified protection among ruling circles gained reinforcement. I believe Mr. Iliescu when he says that he detests anti-Semitism. But wouldn't it have been more

natural for him or for the government to ask the Prosecutor's Office to do its duty, instead of leaving us with the impression of a farce? And what does it mean that ROMANIA MARE will disappear from the market for four weeks? Does it mean that come 13 September Mr. Tudor et comp. will not once again claim to be what they always were, only a bit more so? Not to mention the fact that ROMANIA MARE is not the only anti-Semitic publication. Mr. Iliescu said that he had never seen an issue of EUROPA: "I don't get it, so I don't read it...." Is it possible that the president's press office did not feel dutybound to inform Mr. Iliescu about the existence of a publication that stirred almost as many protests as its sister? Or perhaps Mr. Mironov, the head of the press office, has not forgotten all his ties to the Securitate with which he collaborated, according to his record published in ROMANIA LIBERA? Mr. Roman named EUROPA, too, in his interview, and even two Hungarian publications of the same nature. We had known about certain chauvinistic articles published in TROMF; ROMANIA LIBERA reacted to one of them. Mr. Roman did not seem to be correctly informed about the other Hungarian magazine. It is surprising that the president and the prime minister should not be aware of an alarming situation such as this for failure to read the press. And not to mince words, already one year ago both were told about the manifest chauvinism of ROMANIA MARE, but they chose to believe that such an insalubrious publication could be classified in the same category as independent publications unfavorable to the regime, like ROMANIA LIBERA. And what can we say about the diploma awarded by the minister of the interior to EUROPA or about the repeated appearances of Messrs. Barbu and Tudor as invited guests at festivities of the Police Academy? The regime is now paying for a serious error of judgment. Despite its firm attitude in the past few days, it cannot erase the memory of protracted vacillations. Only one—both legal and moral—solution was available: to frankly admit its error and to hand the case over to the Prosecutor's Office. It may still not be too late. Half measures always turn against those who choose them over clear decisions in compliance with the law. The self-imposed suspension of ROMANIA MARE for a limited period of time cannot resolve the difficulties and, in the final analysis, it will give satisfaction only to Mr. Tudor and his cronies, who will pose as martyrs and heroes. And most importantly, they will know how to transform their petty, embarrassing gesture into a political case of national scope. Cui prodest? [Who is surrendering?]

Opposition Leader Views New Croatian Government

*91BA1059A Zagreb DANAS in Serbo-Croatian
13 Aug 91 pp 14-15*

[Article by Miko Tripalo: "Dissension on the Right"—first paragraph is DANAS introduction]

[Text] This time, the Croatian government does not dare throw away its historic opportunity. It is not true that everything has been done to prepare Croatia for another, more difficult way in which to bring about its freedom.

In forming the Government of Democratic Unity precisely during the Serbian-Army aggression, Croatia has taken the first serious step in democratizing political relations and expressing the pluralistic character of society since the elections and the adoption of the Constitution. Why is it that this assertion seems incredible? Because an idea has taken root that is in fact untrue: that under conditions of war, democracy must be restricted. As if it could be erroneously assumed that the formation of the Government of Democratic Unity could express to an even greater extent the "self-abnegation" and passivity of the opposition, or rather set up new obstacles to having the views of the opposition heard on the public political stage, which would be detrimental to any democratic system.

It is also deplorable that this step was taken at a time when Croatia has begun to experience the most serious crisis since the elections, when a "sense of defeat and hopelessness" has begun to spread, not only in the military domain, but also in the economic and other domains. What was needed was for the leadership structures of the HDZ [Croatian Democratic Community] and of the state to point out their mistakes and incompetence, and for the dissatisfactions in the ruling party, opposition, and people to exert pressure on them to announce changes in their views and policy, in the interest of Croatia, its sovereignty, and its territorial integrity.

The basic cause of the Croatian crisis lies in the attempts by imperialistic Serbian circles and Stalinist Serbian armies to challenge the sovereignty and self-determination of the Croatian nation and of all citizens of Croatia, as well as in the efforts to take away parts of Croatian territory by destroying democracy through military force. However, the question arises of why the leadership of Croatia did not reckon with the aforementioned option by its adversaries and why it did not define its policy in accordance with actual possibilities and needs. Because this time Croatia does not dare throw away its historic opportunity. The entire time, the leaders of the state and of the HDZ have competed in making unrealistic promises and extremist statements, and the result of this has not been, nor could it be, exemplary and effective action. We are not talking here about advocating cowardice, inconsistency, and indecisiveness, but rather about providing a realistic and sober evaluation of the relations of power, about our options,

and about international conditions. Indeed, our adversary has long since warned that he is willing to resort to arms if his plans cannot be realized otherwise. No reasonable person would challenge the insistence of President Tudjman that the Yugoslav crisis be resolved in a democratic and peaceful way, with as few human sacrifices and as little suffering as possible. But in order for that type of solution to work, the other side must be well disposed towards it as well. Since this was not the case, who could agree with the approach of making the freedom, democracy, and sovereignty of Croatia exclusively dependent on agreements with a partner who is willing to do anything and who is untrustworthy? It is not true that everything has been done to prepare Croatia for another, more difficult way in which to bring about its freedom. The organization and capability for defense was suppressed, and the enemy that is attacking us was not clearly identified in time. The accumulated weaponry resources were not checked out; it was acknowledged that there was and still is embezzlement and usury here; strategies and tactics adapted to our options were not formulated; and catastrophic political, propaganda, and personnel mistakes were made in this area. This has led to many victims and much destruction, and Croatia is not in control of a significant part of its territory.

Justified criticism and dissatisfaction cannot be explained according to the precepts of the Bolshevik school, whereby ostensible enemies from within the country and from the outside world are attempting to remove the government, and even (?) the president of the republic from office, through a putsch. If anyone were to try this in violation of the Constitution and law, then it would be necessary to oppose this through the means of the rule-of-law state. But it is utterly clear that changes are possible through regular processes, and that the call for changes is gaining more and more support.

What was displayed at the latest session of the Assembly? Electoral triumphalism was expended in empty words, celebrations, and in avoiding key problems. One began to realize that democracy cannot be reduced to mathematics and vote counting.

The logic of the voting machine, instead of cultivating as broad a societal consensus as possible, suffered defeat. Because of this, the Assembly majority was a little more tolerant, but still not enough to listen fairly to opinions that until a few weeks ago it did not even want to hear. The HDZ, through its parliamentary club, has begun to show that it will never come to terms with the old democratic centralism, because this centralism is not more attractive if it is termed a "commitment to party discipline," in the purest Croatian language. It has been seen that democracy is lacking if all state and party power is concentrated in the hands of a few people and if the state is governed autocratically. Because of this, Tudjman's charisma has been significantly disrupted, and several of his political mistakes have been justifiably pointed out, as has been his intolerance and exclusiveness towards other opinions. In the hallways of the

Assembly, there are rumors to the effect that dissension is unfolding within the ruling party between the adventurous right wing, which is supposedly led by Seks, and Tudjman's moderates. Perhaps there is a grain of truth in this, but relations are much more complicated. The main voice of criticism against Tudjman is coming from an adherent of the moderates.

Perhaps it is unimportant to consider who is further to the right, Seks or Vekic, a man on whom Tudjman relies. Attacks against Vekic are thinly disguised attacks against Tudjman himself. Indeed, has not Tudjman himself often been on the right, making concessions and accepting too many of the opinions of those extremists who provided him with such wholehearted material support during the election campaign, based on his promises?

Criticism of the current unclear, indecisive policy, which is out of touch with reality and defined on a day-to-day basis, with no long-term and identifiable vision, has come from all factions within the ruling party and opposition, not primarily and exclusively from the HDZ right wing. The opposition, like the majority in the ruling party, has demonstrated its majority, because there have been few people who place narrow party interests above the interests of Croatia.

The HDZ, and thus Tudjman as well, should be praised for this, because perhaps they have begun to recognize their failures and because they have gone looking for a solution in cooperation with the republic's other democratic forces. At the same time, the opposition should also be praised for not adopting the attitude that the HDZ has made its bed, so let it lie in it, which would have demonstrated the opposition's immaturity and incompetence. On the contrary, the opposition, at great risk to itself, allowed the HDZ to be saved from internal dissension and gradual dissolution in order to save Croatia, and decided to take part in the government.

But one more thing must be said in order to further clarify the nature of the aforementioned political discord and dissension. Although the former, customary schematic division of political forces into the right, the left, and the center is already obsolete, it is nevertheless still possible in our political scene to speak of dangers both on the extreme left and on the extreme right, and democratic forces in Croatia must oppose these forces with much greater resolve. The characteristic of the leftwing extremists is that they are attempting to revive the failed real-socialist and Stalinist structure and that they support in principle a unitarianist and anti-Croatian organization of relations in the area of the disintegrated Yugoslav federation. Because of this, the extreme left wing not infrequently adopts Greater Serbian, and even Chetnik, positions, which is best evidenced by the activities of many of the leaders of the League of Communists-Movement for Yugoslavia. With respect to the extreme right wing, its supporters can be found in several parties, including the ruling party of Croatia. It is precisely in the ruling party that they are

most dangerous, because they occupy a few important posts in executive, administrative, and legislative state institutions. Characteristic of them is an intolerant and undemocratic attitude towards any difference of opinion, as well as attempts to effect a single-party monopoly under the guise of formal multiparty structures. Their goal is to thwart opposition activity and stifle its voice in the public information media (they support censorship and a state monopoly, and they appoint local commanders and dignitaries of the HDZ as heads of daily newspapers, proclaiming them public enterprises). A second characteristic of them is that they express regret that the Ustasha-fascist side did not win the last war.

They express this regret through attempts to rehabilitate the NDH [Independent State of Croatia], which from the beginning to the end was inseparably linked to the Ustasha movement. They slander and spread animosity towards anyone who was linked to the NOB [People's Liberation Struggle] and the Partisan movement, and they even advocate—with some degree of success—the repeal of so-called veterans' rights, in order to do away with the distinction between those who led Croatia into the victorious antifascist coalition and those who fought on the side of the losers. Their third characteristic is that they generally attack Serbs, their history, their cultural achievements, and even their "racial" characteristics. They would solve the Serbian question in short order. Some people may object that these conclusions darken Croatia's image in the rest of the world. But it is only by speaking the truth, and decisively removing the proponents of such views and actions from important positions, that we can join the civilized world, from which we are still far removed.

The formation of the Government of Democratic Unity is a significant event in the life of Croatia. The Croatian People's Party [HNS] will support the new government to the extent that the government is committed to putting the jointly signed Declaration into effect. In addition, it will, through its representatives in the government, its Assembly deputies, its promised representatives in the crisis commands, its participation in local institutions of power, and its regular party activities, attempt to formulate its views on the republic's individual, essential problems.

The HNS supports the government, but it will also be its fierce critic if the formulation of policy is in conflict with the viewpoints of the party and of the signed Declaration. The HNS is aware of the risks involved in this, but it is doing so for the sake of Croatia's general interests.

Upon joining the government, our party set out three demands:

First: that the program of the government be broader than the program of the ruling party, whereby there was special insistence on a different and more efficient plan for the defense of Croatia, on the broader development of democracy, especially in relation to the position of the

public information media, and on the formulation of a platform for a democratic and consenting solution to the position of members of other nations living in Croatia;

Second: that relations between the Assembly, the government, and the president of the republic be governed in a genuinely different manner, and thus based on changes in the constitution. Many months of practical experience have shown that it is not good to concentrate so much power in the hands of one person, with so little opportunity for genuine control over his activities. It has been seen that this does not bring with it greater efficiency, but in fact creates significant dangers that wrong decisions will be made. It is no coincidence that Assembly resolutions do not refer to the president's introductory speech, which is largely devoted to an unsuccessful defense of the implemented policy, especially with respect to the loss of allies in the anti-Greater Serbian coalition (the Assembly referred to the president's missive of 7 July).

The greatest threat to further democratization, as well as to the success of the Government of Democratic Unity, is the constitutional position of the president and the activities of his created, parastate institutions (Supreme State Council, Crisis Command, the Office of the President, with numerous advisors). Because of this, it is essential to strengthen the constitutional position of the Assembly, the autonomy and responsibility of the government, and to limit and reduce the power of the president of the republic;

Third: The government should have a say in all areas, which is customary in parliamentary democracies, including the area of defense. In this regard, it has been demanded that the Crisis Command as well act within the framework of the government.

The impressions of our representatives have been that the new prime minister, through his decisiveness, democratic orientation, and tolerance towards other opinions, represents a significant guarantee that the attempt with the Government of Democratic Unity will help Croatia, as long as the signed agreement is respected and the president of the republic genuinely allows the government to act autonomously and responsibly.

Role of JNA in Bosnia-Herzegovina Unrest

*91BA1084B Belgrade BORBA in Serbo-Croatian
31 Aug 91 p 16*

[Article by D. Pusonjic: "Peaceful Bosnia Increasingly Restless"]

[Text] Will the JNA [Yugoslav People's Army] "capitulate" (even) in Bosnia, that is, abandon its units on the basis of the ethnic background of the soldiers and once and for all become a "Serbian national army"? In this case, will the ethnic parties in Bosnia make a gift to the people of ethnic police forces, armies, guards, special detachments, territorial defense forces, and other groups of warriors?

Affirmative answers to these questions in the circles around the SDA [Democratic Action Party], SDS [Serbian Democratic Party], and HDZ [Croatian Democratic Community] have already become not only "ready," but also a "normal" thing. The only thing still not known is exactly when and what will be the formal pretext for the explosion of bloodshed in Bosnia-Herzegovina. Assessments within the ruling coalition, whatever they have been, cannot be neglected, because the parties themselves nevertheless do know best what they have done over the last nine months and what they intend to do.

The state commission of the SFRY Presidency for the cease-fire in Croatia observed the other day that the "armed conflicts are spreading even to the border areas of Bosnia-Herzegovina." Specifically: "Attention was called to the armed attacks—including mortar fire in the region of Bosanska Gradiska, and also to the fact that armed units of the Republic of Croatia have crossed onto the territory of Velika Kladusa, where from the immediate vicinity of the city they opened fire and several people were wounded, one of them succumbing to his injuries." We should add to the finding of the state commission, first of all, that Bosnia-Herzegovina had two citizens die in Kladusa, and second, that there is also a third oasis of war in Bosanska Kostajnica. There is good reason to mention that the most numerous nationality in Bosanska Gradiska are the Serbs, in Velika Kladusa they are the Muslims, and in Bosanska Kostajnica the Croats.

It is hard to separate from this the fact that the other day Bosnia rose up on its hind legs because of the JNA. The parties and politicians are making themselves heard, the nationalities are making themselves heard, and indeed so is the Army itself. According to certain assessments, the total confrontation with and concerning the JNA could be a decisive factor for the definitive death of the "truncated peace" in this republic.

Even Mothers of Soldiers Are Divided

As for a majority of the parties in Bosnia, their views of the JNA are no longer "at sixes and sevens." Two days ago, the HDZ declared that it is a fascist army. The SDA (except for Izetbegovic) announced that the JNA was no longer either people's (because the Slovene people were no longer in it) or Yugoslav (it no longer protects the entire external border of Yugoslavia). The SDS continues to view as "separatist" elements those who do not see the JNA as a Yugoslav Army. In all of this, Stjepan Kljuic reported in a press conference of the HDZ early this week that "86 heavy military vehicles entered Sarajevo, and a similar column was headed for Split" and that "now it is clear that Operation Ram was a well-thought-out action whose purpose is to create an expanded Serbia along the Virovitica—Karlobag—Karlovac line." On the other hand, Ejub Ganic, member of the Bosnia-Herzegovina Presidency, with his fellow member Nikola Koljevic, had a talk on 27 August in Belgrade with Veljko Kadijevic and Blagoje Adzic and

declared (according to OSLOBODJENJE) that he particularly alerted the two generals that "most of the present Yugoslav leaders will not head a third Yugoslavia, and the Army should take into account that any use of a compass based on present leaders would be disastrous for the Army itself, because it does not further the cause of a third Yugoslavia for a majority of the people to believe that the Army is Serbian."

As for the uprising of parents, it should be said that the ethnic parties in this republic have been trying to use it to settle political accounts of their own, and in this they have so far shown an enviable amount of persistence. The parents are seeking only the return to Bosnia of their sons who are serving in the JNA, above all in the crisis, war-torn regions in Croatia. The SDA, SDS, and HDZ have already begun to exchange pot shots over who is "for" and who is "against" the demands of the parents. The authorities in Bosnia are trying to do what others in the Yugoslav republics have failed at—to divide the mothers of soldiers along ethnic lines. For instance, the SDS is saying that "Serbian mothers will send their sons to the JNA." At the same time, the SDA and HDZ are "supporting the parents," and they asked permission of the few hundred people who also joined the parents in front of the building of Sarajevo Radio-TV for the government of Bosnia-Herzegovina to replace the management personnel of the principal news media in Bosnia-Herzegovina. The political arrogance of the ruling parties in Bosnia-Herzegovina, it turns out, is now without limits. They have become experts at turning every normal political task inside out, so that a paradox comes about in which sound political reason must oppose even a "reaching of agreement" between two nationalities (an agreement between the SDS and the MBO [Muslim Bosnian Organization], which allows even the creation of a truncated Yugoslavia)....

Regardless of Political Reality

Finally, as far as the JNA itself is concerned, in Bosnia it goes on living altogether outside political reality. The fact that Yugoslav generals in this "Yugoslavia in the small" have for the first time heard wholesale chanting of "murderers, murderers" does not seem for the JNA leadership to be a signal worth at least studying, much less specific changes in behavior. The takeover of military records from the Bosnia-Herzegovina opstinas—in accordance with the letter of the Federal law which was passed suddenly in the Yugoslav Assembly, is creating an additional division in Bosnia. The anti-Army disposition of Bosnian Muslims and Croats is ever more pronounced. The fact that the SDS interprets this matter as a "regular thing" based on Federal statutes, "if the political situation in Bosnia were not as explosive as it is, might be taken as an attempt at a kind of stunt.

The local national defense secretariats in the opstinas, that is, are between a rock and the hard place because the republic government has suspended the Federal law on national defense. The insistence of the SDS that the government of Bosnia-Herzegovina has no right to make

such a decision takes on its full meaning when one realizes that up to now Federal laws have been suspended by every possible Yugoslav republic, so that this Bosnian case fits entirely within the behavior throughout Yugoslavia. Finally, it is also important to mention that among other things Bosnia is the republic immediately after Serbia that is sending the most young men to serve their required military service (last year, 23.4 percent of all recruits), and that right up until withdrawal of the Slovene corps to this republic, Bosnia was only the fourth republic with respect to the number of soldiers in the total strength of the JNA (this figure was announced by Lieutenant Colonel General Marko Negovanovic)....

All of this taken together indicates the importance of the increasingly fierce confrontations concerning the JNA. At the same time, one hears ever more frequently that five Serbian states should be formed on the soil of this republic: Bosanska Krajina is merged with Kninska Krajina; old Herzegovina goes to Montenegro; Bijeljina and environs to Serbia; the northern part of Bosnia to Slavonia; the Romanija region, with Pale as its capital, would be the "central territory," and "Nedic will probably do something in Ozren...." When we add to this that western Herzegovina would go to Croatia, what is left is for the remainder of the remainder of Bosnia to be left to the Muslims....

It seems that the weeks, perhaps even the days, of the Bosnian peace are numbered. Even if there had been no meddling from Belgrade and Zagreb, this situation—neither peace nor war—in and of itself cannot last long. It seems already certain that there will be war in Bosnia, and this is much more certain than that preservation of the peace will succeed. If, of course, one is to ask only the government.

Distribution of Arms by Montenegro Government

91BA1084A Belgrade BORBA in Serbo-Croatian
30 Aug 91 p 10

[Article by Dragoljub Vukovic: "Rifles Only for 'the Right People'"]

[Text] In a press conference the other day, the Citizens' Peace Committee warned once again of the danger of Montenegro's militarization, which the government is pushing even by distributing arms to those it trusts. It was the Montenegrin "peaceniks" who were the first to start in public the open secret about the distribution of arms all over the republic, which the man in the street has persistently been trying to figure out.

Selective Armament

In a recent press conference of the Montenegrin National Party of Montenegro, Dr. Novak Kilibarda, its leader, also touched on these topics, remarking that the arms are not being distributed or are being distributed reluctantly to members and sympathizers of his party. The weekly MONITOR obviously took a step further in unraveling the case of arming the "suitable segment of the people."

Referring to eyewitness accounts of people from the village of Gluhi Do (Bar Opstina) in Crmnica, MONITOR says that in the course of just one day 80 M-48 rifles were distributed with 100 rounds to go with them.

The datum was leaked from the same sources that the arms were distributed by Buco Bujic (brother of the chief of the security center in Bar, Branko Bujic), Sojan Sjezdic, secretary of the DPS [Democratic Party of Socialists] (the former CK) in Bar, Blazo Djuriscic, president of the Virpazar Local Community, and Milivoj B. Vukmirovic (employed in the MUP [Ministry of Internal Affairs]) and Momo Vulicevic, deputies of the DPS in the Bar Opstina Assembly. According to statements made by those with whom MONITOR spoke, whose names are not given, the people mentioned are the same ones who during the election campaign last year distinguished themselves in preventing Prime Minister Ante Markovic from entering Virpazar. MONITOR goes on to say that these 80 rifles are only a portion of the weapons from the arsenal of the MUP distributed to members of the People's Party and Democratic Party of Socialists in the villages of Crmnica.

According to the account of Mico Orlandic, deputy and leader of the Independent Organization of Communists of Bar, it was a group of Crmnica people armed in this way who the other day forcibly opened the so-called "silt valves" on the water supply line serving Bar, Sutomore, and Canj, in order to put pressure on the opstina government in Bar to pay the Virpazar Local Community a fee for water from its territory. In any case, Orlandic confirms the allegations of the weekly MONITOR concerning the distribution of arms in Crmnica villages. We also learned from him that in this connection a meeting of citizens was held in the village Gluhi Do as well as in other villages, and that the selective arming is being condemned everywhere.

The Government Owes an Explanation

"The problem is not that the arms were distributed, rather the problem is that the purpose and objective of this distribution is not known," Orlandic says. "Is it in order to repeat certain historical experiences we have had, so that neighbor will again be firing on neighbor and brother on brother? The purpose, he believes, is nothing more than that, especially when this is done by an official institution of this Montenegro, which is still a state," Orlandic concludes, observing that nothing of that kind will be allowed in the Bar Opstina.

The competent republic authorities (above all the Ministry of Internal Affairs and the Defense Ministry) still have not reacted to the speculations and accusations, and this further obscures the whole affair. Veljko Vukovic, assistant defense minister (the minister is on vacation), readdressed our curiosity to the MUP. Pavle Bulatovic, minister of internal affairs, did not refuse to talk to BORBA on this provocative topic, but he made the excuse that he was busy (official travel) until

Monday. Mico Orlandic says that formation of a parliamentary commission that would investigate all cases of distribution of arms should be demanded in the next meeting of the parliament. The deputy caucus of the League of Reform Forces for Montenegro, to which he belongs, will most probably seek the resignation of the minister of internal affairs.

What is particularly disturbing about the accounts of the arming of citizens by the government is that the arms are going exclusively to those the government trusts, tried and true members of the party in power, and members of the People's Party, which is in opposition and whose views the government comes close to with respect to resolving the Yugoslav crisis. It is logical that the belief should have been formed on that basis that the ruling party wants to protect and strengthen its political option with weapons, meanwhile objecting to others doing the same, explaining that it is against any sort of party-affiliated or paramilitary armed formations.

It was not long ago that Momir Bulatovic, president of the Presidency of the Republic of Montenegro, said that Slavko Perovic, leader of the Liberal Alliance of Montenegro, was on the verge of a crime, because following the armed incident in front of Cetinje Monastery he said in public that he would undertake to organize voluntary detachments. That statement has been far exceeded if it is true that the party that Bulatovic heads, taking advantage of its authority, has been arming its members and sympathizers. Given the raw and uncertain political situation, overflowing with tension and conflict, the government's responsibility is all the greater.

It is up to the authorities, then, to deny everything (which will be hard to do) or to explain what is actually going on. We hope that it is not a case of preparation for a possible civil war in Montenegro.

Slovenia Denies Military Agreements With Croatia

91BA1099A Ljubljana NEODVISNI DNEVNIK
in Slovene 31 Aug 91 p 4

[Article by Ivanka Mihelcic: "There Is No Agreement of Any Kind"]

[Text] Ljubljana, 31 Aug—The bloodier the Croatian drama becomes, the more vocal become the Croatia political leadership's reproaches about some sort of Slovene "lack of interest." The Slovene parliament has resisted such reproaches by committing its government to prepare, as soon as possible, a concrete program for assistance, particularly humanitarian assistance. It has not said a word about possible military assistance or assistance with weapons, however. Nevertheless, this is also being talked about, since a few days ago Croatian Prime Minister Franjo Greguric publicly stated that "Croatia had not received the anticipated military assistance from Slovenia, and therefore had to start producing mortars, bombs, mines, and other military equipment itself."

We asked the Slovene Defense Ministry who had promised what to whom, if anything had been promised at all.

Deputy Defense Minister Miran Bogataj was very precise in his answer. He said, "As far as I know, there have not been any agreements at this level about any direct mutual assistance. It has also been said that there is some sort of defense agreement between the two republics, especially at the level of defense and police structures. There has not been anything like that, however, and there is none today, either. All of our consultations have concerned only the coordination of activities, and not specific promises that anyone would assist anyone else." Miran Bogataj said that this assistance is remaining within the framework of the Brioni declaration, and that Slovenia can help Croatia most in the political area; he added that all of this does not have anything to do with the Croats' passivity during the aggression against Slovenia.

We also took advantage of our meeting with Miran Bogataj for a question associated with the headquarters exercise Okop 2 [Trench 2], with an assumed repeated aggression against Slovenia, which is scheduled for September. September is here, and so we asked him whether we could be any calmer. In his answer, the Slovene deputy defense minister explained that on one hand, this had to do with the military aspect of the plan, and on the other, its real feasibility. The fact is, as he stated, that at this time the Army's withdrawal has been shortened by a month, for which there are several reasons, but the failed coup in the Soviet Union is also a new element. "That well-known document from the political administration of the Federal Secretariat for National Defense was based on the assumption that socialism would be put back on its feet and that this is a bright prospect." This was the theoretical assumption behind Okop 1. "If the coup in the Soviet Union had succeeded, Slovenia could also have been considerably more in danger," Miran Bogataj emphasized.

The coup failed, however, and because of the unpredictability of events in Yugoslavia, this can mean a great deal and little at the same time. At any rate, Bogataj said, developments here will depend primarily upon the outcome of the events in Croatia, and especially upon the achievement either of the partial goal—protection and occupation of the external borders of Greater Serbia—or the radical goal—the conquest of Croatia as a whole. "How much of a real possibility there is that in achieving the latter there could also be some sort of retaliatory measure against Slovenia (destroying the republic and especially occupying the borders) also depends upon the internationalization of the Yugoslav crisis," Bogataj emphasized. In this regard, he warned that a great deal also depends upon the disintegration of the Army itself, since the process with the conscripts has also begun elsewhere. All of this together points to several new elements associated with the announcements in connection with Okop 2. Along with these new elements, we should by no means forget about an old element that we

have to take into account. "We have to deal with some strange mentality," Miran Bogataj said.

Slovene Socialists for Military Aid to Croatia

91BA1099B Ljubljana DELO in Slovene 31 Aug 91 p 2

[Article by C.R.: "Socialists Are for Aid to Croatia in Weapons As Well"]

[Text] Rijeka, 30 Aug—"Slovenia must help Croatia in all ways, with weapons as well. We had weapons in our war and that is why we were successful in defeating the enemy. The talks on peace in Croatia that will have to start sooner or later will not be able to bear fruit unless the negotiators are equal militarily as well. And now Croatia is not equal in that aspect." This was stated by Viktor Zakelj, the president of the Socialist Party of Slovenia, at today's press conference which was arranged by leading Croatian and Slovene Socialists in Rijeka. As he emphasized, that is the position of his party, but not of the Slovene government. He promised that he would also advocate aid to Croatia through the initiation of the kind of economic cooperation that would be possible in wartime and could also be continued later in peacetime. Both sides thought that borders between Croatian and Slovenia should not change neighbors into foreigners. This is particularly important for Istria. The Socialists support the position of the Italian Union that relations between Italians in the two republics must be uniformly regulated by an intergovernmental treaty between Croatia and Slovenia.

Slovene Government Promotes Entrepreneurship

91BA1055A Ljubljana NEODVISNI DNEVNIK in Slovene 10 Aug 91 p 5

[Article by (mu): "But I Have Thought of Something...."]

[Text] Ljubljana, 10 Aug—In this world it is already the case, and it is no different in our country either, that some people have a lot of ideas, but they do not have the money to realize them; and others have a lot of money, but lack ideas about where to invest it. It is necessary to have some of both, however, for successful business.

Judging by the extremely large response to a public competition held by the Republic Institute for Employment for 1,000 new jobs, people in Slovenia are not short of business ideas.

Just yesterday cocooned in jobs that were guaranteed until retirement, and today faced with the problem of "superfluosity," many people are being turned into businessmen with improbable speed. Increasingly higher unemployment and the shortage of jobs are simply forcing many people, especially young ones, to start looking for work themselves, either just for themselves or for others as well, and, in short, to try to stand on their own feet; and it only benefits the state to help them to do

so, and to encourage them by means of suitable measures, and not compel them to wait passively, en masse, for a solution "from above."

One of those government measures—unfortunately, there have not yet been very many of them—is the above-mentioned public competition, which was announced on 20 February. A state subsidy of 60,000 dinars was offered from the state's employment funds for each newly employed worker. It was expected that this, together with budgetary funds, would jointly finance the creation of 1,000 new jobs in the private sector, especially for those who have already been unemployed for a long time. The public competition ended on 19 April, and by that time 806 investors had already been registered with projects for a total of more than 3,300 new jobs. Milan Pavliha, an adviser to the director of the Republic Institute for Employment, told us that a special committee at the Minister of Labor, during six sessions, approved 706 applications for 2,384 new jobs. In practice, this means that each investor is offering an average of three new jobs; but they also include investors who intend to employ 20 or more workers in new or expanded operations. In this competition, consideration was also given to applicants interested in self-employment. As already stated, 60,000 dinars in state subsidies were allocated for each worker newly employed through this competition, which amounts to a total of 141.4 million dinars. Milan Pavliha confirmed that they expect this whole project to be carried out by the end of August.

They rejected a hundred applications, either because the competitors did not meet all of the conditions, or

because they did not assemble all of the necessary documentation. Their applications will be considered during the next competition to be held, if, of course, the government provides the money for that purpose. The encouragement of entrepreneurship and the creation of new jobs, in any case, will have to be given priority in government decisions on budget allocations if we wish people and the state well; otherwise we will all fare badly together.... Milan Pavliha notes that a favorable mentality for business ideas is just emerging in Slovenia, and that for this purpose it will be necessary to make more major changes, both in the education of children and in business ethics. A condition that they set for those competing for the creation of new jobs was that they implement their projects for new employment within six months at the latest. Of course, those investing in the new jobs are not getting state subsidies just on faith, but will instead be under supervision. Namely, the contracts concluded with the investors contain a strictly binding provision that within a given period they have to send a report on the new workers employed for whom they have received a subsidy; otherwise they will have to pay back the money to the state at its assessed value, together with late interest payments. It is to be expected that among the real investors there may be some sort of greedy person who would only like to "pocket" the money. It is true, of course, that in this business the state is also taking a risk, just like every new entrepreneur who does not have a guarantee that his business will flourish.

The main thing in all of this is that the first public competition of this type has proven that people are entrepreneurs and that they have a lot of new business ideas, and do not differ in this regard either by sex or by age. They only need encouragement.

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